



QPM
ENERGY

December 2024 Quarterly Report

Highlights

- ✓ Quarterly electricity and gas sales of \$30.8m (up 21.3%) from previous quarter on the back of strong electricity pricing, particularly during November and early December.
- ✓ Completed the acquisition of 12.8MW Moranbah Power Station (“MPS”), increasing electricity and revenue generation capacity and reducing Moranbah Gas Project (“MGP”) operating costs.
- ✓ The Teviot Brook South wells successfully completed and commissioned with dewatering underway.
- ✓ 4% decline in overall gas supply with an increase in QPM Energy managed production offset by a decline in third party gas supply.
- ✓ Planning underway for further drilling later this year.



Image: Moranbah Power Station

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QPM Energy Ltd (ASX:QPM) (“QPM Energy” or “the Company”) is pleased to present a summary of activities during the December 2024 quarter.

Key Performance Indicators

Description		Dec 24 Qtr	Sep 24 Qtr	Change	FY 25 Total
Gas Supply	<i>TJ/day</i>	27.6	28.8	-4.2%	28.2
	<i>PJ</i>	2.54	2.65	-4.1%	5.19
Gas Sales	<i>TJ/day</i>	26.2	27.2	-3.7%	26.7
	<i>PJ</i>	2.41	2.50	-3.6%	4.91
Electricity Generation	<i>MWh</i>	46,455	63,769	11.8%	110,224
Gas and Electricity Sales ¹	<i>\$m</i>	30.8	25.4	21.3%	56.2
Capex ²	<i>\$m</i>	7.2	10.0	-28.0%	17.2
Cash and equivalents	<i>\$m</i>	23.8	27.3	-12.8%	

1. Excludes non-cash / deferred revenue of \$17.3m from 1 July 24 – 30 Dec 24 associated with the accounting treatment of certain contracts relating to the MGP (unaudited).
2. Majority funded by Dyno Nobel Development Funding Facility

QPM Energy Moranbah Gas Project

Production

The MGP’s total gas supply includes production from wells operated by QPM Energy and gas supplied to the Moranbah Project by third parties.

Gas Supply Source	December 2024 Quarter		September 2024 Quarter		Change
	Daily Average (TJ/day)	Quarter Total (PJ)	Daily Average (TJ/day)	Quarter Total (PJ)	(TJ/d)
QPM Energy managed production	22.3	2.05	21.1	1.94	+1.2
Third Party Supply	5.3	0.49	7.7	0.71	-2.4
Total Production and Supply	27.6	2.54	28.8	2.65	-1.2

During the quarter QPM Energy’s managed production increased modestly as the new Teviot Brook South

wells commenced producing gas and existing wells shut in during the drilling programme were brought back online.

Gas supplied to QPM Energy from Anglo's Moranbah North / Teviot Brook and Grosvenor coal mines declined by 2.4TJ/day as a result of the suspension of mining operations at the Grosvenor Mine in June 2024 following a gas ignition incident.

Anglo operates approximately 35 SIS wells within the Grosvenor mining lease which are designed to pre-drain gas from future mining areas. These wells are directly connected to QPM Energy's gathering system and supply QPM Energy with gas. While most of the Anglo Grosvenor wells are currently not producing or have been shut in, they can be brought back into production quickly and have the capacity to contribute significant additional gas supply to QPM Energy.

QPM Energy notes that Peabody Energy has agreed to acquire Anglo's steel making coal mines including both the Moranbah North / Teviot Brook and Grosvenor operations. Pre-drainage of gas ahead of mining is critical to the successful operation of the Moranbah North / Teviot Brook mine and the restart of the Grosvenor mine. QPM Energy believes that Peabody Energy will need to accelerate gas drainage operations at both mines to increase production at Moranbah North and restart production at Grosvenor.

Revenue

QPM Energy generated total electricity and gas sales revenue of \$30.8m during the quarter, representing a 21.3% increase in the previous quarter. This was largely driven by strong electricity pricing during November and early December.

Source	Dec 24 Qtr \$m	Sep 24 Qtr \$m
Total revenue from gas and electricity sales	30.8	25.4

Power Generation

Total gas supplied to TPS was down from the previous quarter due to the decline in overall gas supply and no interruptions to Dyno Nobel's operations.

Description	Dec 2024 Quarter	Sept 2024 Quarter
Total gas supplied to TPS	516.7TJ	709.0TJ
Total electricity dispatched (net of losses)	46,455MWh	63,769MWh
Average realised electricity price	\$428/MWh	\$240/MWh
Average net-back gas price	\$38.51/GJ	\$21.61/GJ

The quarter was highlighted by the highest single day record for electricity sales revenue of \$7.2m on 7th November 2024.

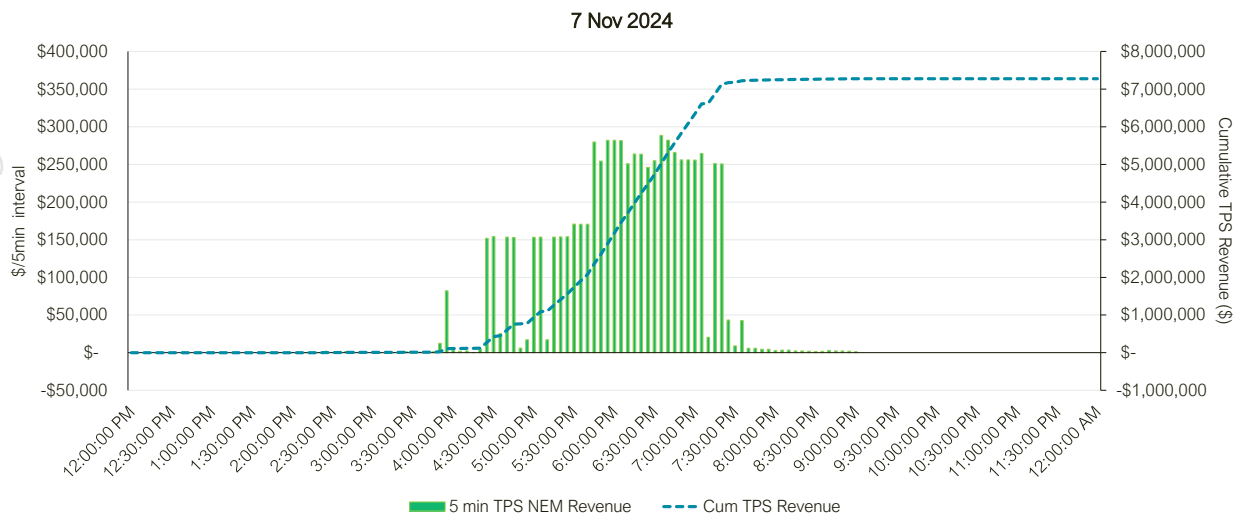


Figure: Cumulative TPS Revenue 7 Nov 24 (Source: AEMO)

The volatile electricity prices recorded on this day were a result of a number of factors including:

- High demand as a result of hot temperatures in Brisbane and Sydney;
- Interconnect issues which effectively left Queensland and New South Wales as an island, with no electricity supply possible from Victoria; and
- Outages at coal fired power stations.

Whilst this was an exceptionally long duration volatility event, the frequency of electricity price volatility events has been increasing. QPM Energy is in a unique position with unhedged exposure to peak power prices coupled with significant levels of gas storage to allow it to capitalise ongoing volatility in the Queensland electricity market.

During the quarter, QPM Energy announced and completed the addition of the 12.8MW MPS into its power generation portfolio. An operating agreement was entered into with Carbon Logica Pty Ltd that provides QPM Energy with:

- 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
- the option to acquire the MPS at the conclusion of the operating agreement.

The transaction will deliver QPM Energy a number of benefits including:

- An immediate reduction in field electricity costs of >\$500k/month;
- Increased electricity revenue through dispatch of excess electricity generation to the grid;
- The capacity to use 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.

TPS Update and Preparation for TPS Overhaul

During January 2025, the 82MW heat recovery steam generator (“HRSG”) experienced an unplanned outage which has prevented dispatch of the unit. Operation of the 160MW gas turbine has not been affected and has been dispatched in line with QPME’s strategy. Ratch Australia is assessing work required to return the HRSG to service, however it is unlikely that the unit will be operational before the planned TPS shutdown commences in April this year.

QPM Energy has now amended its’ TPS dispatch plan to operate the gas turbine in open cycle mode only daily during the peak and shoulder price periods. TPS will not need to be dispatched during daytime periods of low to negative electricity prices.

While this dispatch strategy is expected to result in lower electricity revenues during the Dyno Nobel plant shutdown period than originally forecast, the reduction in revenue is expected to be offset by lower costs associated with the TPS as the HRSG capacity is not available.

As previously noted, TPS will be undergoing a major overhaul from April to June. During this period, total gas production and supply required by QPM Energy to meet customer and operational requirements will be around 25TJ/day.

During this period field production will be matched to offtake requirements by:

- Managing gathering system and well head pressures; and
- Manage ramp-up of new production wells so that peak flow takes place in the September quarter when TPS will be back online.

Teviot Brook South Well Development Program funded under the Dyno Nobel Development Funding Facility (“DFF”)



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

During the quarter, drilling and commissioning of all 7 production wells at Teviot Brook South was completed. All wells are currently being dewatered and gas production from these wells is trending upwards.

QPM Energy has now commenced planning of another drilling program to take place in 2025 which will be funded under the DFF (subject to approval). The rationale behind this is to increase QPM Energy’s managed

gas production levels and mitigate the recent decline in third party gas supply.

Gas Gathering System – Pressure Reduction

In order to increase overall gas supply and facilitate flow of gas from the new production wells, QPM Energy is carrying out a capital works program to optimise the performance of the field's gas gathering system by de-bottlenecking flow constraints and reducing overall system pressures. The majority of this work was completed during the quarter and will be completed in the March 2025 quarter.

TECH Project

Grant Funding and Project Update

QPM Energy and the Queensland State Government are currently finalising an agreement for \$8m of funding. The Queensland State Government election was held during the quarter, which has delayed finalisation of this agreement. Technical workstreams for the project remained ongoing during the quarter.

Cash and Corporate

As at 31 December 2024, QPM Energy's cash and cash equivalents balance was \$23.8m. During the quarter, \$10m was drawn down from the Dyno Nobel working capital facility (\$30.0m limit). The draw down was not required to meet financial commitments during the quarter. However, planning is well underway for cashflow management during the 3 month TPS Shutdown period (scheduled April through June 2025) and QPME is ensuring a robust cash position is in place prior to commencement of this period.

Additional ASX Information

ASX Listing Rule 5.3.1: Cash outflow from Exploration and Evaluation during the quarter was \$1.0m.

ASX Listing Rule 5.3.2: There were no substantive mining production and development activities during the quarter.

Tenement Table: ASX Listing Rule 5.3.3: Tenements currently held by QPM as at 31 December 2024 are detailed in the table below.

TENEMENT ID	STATUS	LOCATION	HOLDING
PL191	Production	Moranbah	100%
PL196	Production	Moranbah	100%
PL223	Production	Moranbah	100%
PL224	Production	Moranbah	100%

Figure: MGP related tenements

ASX Listing Rule 5.3.5:

RELATED PARTY	AMOUNT	DESCRIPTION
Directors	\$120,936	Director and consulting fees paid to Directors and/or Director related entities

This announcement has been authorised for release by the Board.



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FORWARD LOOKING STATEMENT Statements & material contained in this ASX Release, particularly those regarding possible or assumed future performance, production levels or rates, commodity prices, resources or potential growth of QPM, industry growth or other trend projections are, or may be, forward looking statements. Such statements relate to future events & expectations and, as such, involve known and unknown risks & uncertainties. Although reasonable care has been taken to ensure facts stated in this Release are accurate and/or that the opinions expressed are fair & reasonable, no reliance can be placed for any purpose whatsoever on the information contained in this document or on its completeness. Actual results & developments may differ materially from those expressed or implied by these forward-looking statements depending on a variety of factors. Nothing in this Release should be construed as either an offer to sell or a solicitation of an offer to buy or sell shares in any jurisdiction.

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Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

QPM Energy Limited

ABN

61 125 368 658

Quarter ended ("current quarter")

31 December 2024

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	28,424	61,778
1.2	Payments for		
	(a) exploration & evaluation	(1,030)	(2,278)
	(b) development	-	-
	(c) production	(16,945)	(35,436)
	(d) staff costs	(2,631)	(6,316)
	(e) administration and corporate costs	(870)	(1,777)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	134	795
1.5	Interest and other costs of finance paid	(585)	(1,718)
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	990	3,190
1.8	Other (provide details if material) GST refunds received	1,669	3,682
1.9	Net cash from / (used in) operating activities	9,156	21,920
2.	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant, and equipment	(12,030)	(24,040)
	(d) exploration & evaluation	-	-
	(e) investments	-	-
	(f) other non-current assets	-	-

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant, and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(12,030)	(24,040)
3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	(13)
3.5	Proceeds from borrowings	15,146	24,821
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)		
	i) Balance includes lease principal payments on IFRS 16 leases held by the company.	(16,250)	(32,086)
3.10	Net cash from / (used in) financing activities	(1,104)	(7,278)
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	27,305	32,725
4.2	Net cash from / (used in) operating activities (item 1.9 above)	9,156	21,920

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Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(12,030)	(24,040)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(1,104)	(7,278)
4.5	Effect of movement in exchange rates on cash held	1	1
4.6	Cash and cash equivalents at end of period	23,328	23,328

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts		Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	22,140	26,117
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)		
	i) The current quarter's 'other' amount pertains to the \$1.188M deposit held for TPS variable charges.	1,188	1,188
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	23,328	27,305

6. Payments to related parties of the entity and their associates		Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	121
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>		
6.1	Director and consulting fees paid to Directors and/or Director related entities	\$120,936

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Mining exploration entity or oil and gas exploration entity quarterly cash flow report

7. Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify) *	110,000	42,699
7.4 Total financing facilities	110,000	42,699
7.5 Unused financing facilities available at quarter end		67,301
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		
<p>* During the December quarter, QPM received its fifth and sixth draw downs of \$2.8M and \$2.3M from the \$80M Development Funding Facility ("DFF") and \$10M from its Corporate Guarantee Facility ("CGF"). At the date of this report, The Group has the ability to draw down an additional \$20 million for payment of fixed charges payable under the Group's gas transport and power purchase agreements. Any amounts drawn are repayable after 1 April 2026.</p>		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	9,156
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	-
8.3 Total relevant outgoings (item 8.1 + item 8.2)	9,156
8.4 Cash and cash equivalents at quarter end (item 4.6)	23,328
8.5 Unused finance facilities available at quarter end (item 7.5)	67,301
8.6 Total available funding (item 8.4 + item 8.5)	90,629
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	N/A
<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer: N/A	
8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer: N/A	

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Mining exploration entity or oil and gas exploration entity quarterly cash flow report

8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: N/A

Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 30 January 2025

Authorised by: The Board of QPM Energy Limited
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

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