



# ENERGY WORLD CORPORATION

## Energy World Corporation Ltd Investor Presentation

November 2022 (ASX: EWC)



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# 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



>20 years track record of operating gas fields and power plants in Indonesia



4 Key Projects nearing completion (the “Projects”)

- Pagbilao LNG Hub – (Subject of this capital raising)
- Pagbilao Power – (Subject of this capital raising)
- Australian Gas Eromanga – (Subject of this capital raising)
- Sengkang LNG – (Project update included)



# CAPITAL RAISING

Indicative Timetable		
Trading Halt		Thurs, 24 Nov-22
Lodgement of Prospectus for of Entitlement Offer and Trading Resumes		Thurs, 24 Nov-22
"Ex" date		Fri, 25 Nov-22
Record Date		Wed, 30 Nov-22
Entitlement Offer opens		Fri, 2 Dec-22
Rights Issue closes		Thurs, 15 Dec-22
Announce results of the Entitlement Offer		Tues, 20 Dec-22
Issue of New Securities		Thurs, 22 Dec-22
Commencement of trading of New Shares		Thurs, 22 Dec-22
Despatch holding statements		Weds, 28 Dec-22
	Shares	A\$'000
<b>Shares on Issue prior to Capital Raising (Current Price)</b>	2,608,134,691	\$106,934
Entitlement Offer 1 New share for 2.39 Issued Shares (@ Offer Price)	1,100,900,000	\$55,045
<i>Incl EWI Commitment to Take up Entitlements</i>	<i>381,500,000</i>	<i>\$19,075</i>
Shares issued to Lead Manager in lieu of fees (at Offer Price)	<u>10,900,000</u>	<u>\$545</u>
<b>Total Shares Issued under Prospectus</b>	1,111,800,000	\$55,590
<b>Total Shares Post Money / Market Cap at Offer Price</b>	<b>3,719,934,691</b>	<b>\$185,997</b>
Total Options Issued under Prospectus	<u>111,180,000</u>	
Fully Diluted Shares on Issue	3,831,114,691	

A “Capital Raising” of approx. **\$54.5 m** via a non-renounceable Entitlement Offer as follows

- Shareholders at the Record Date will be offered 1 new fully paid ordinary Share for every 2.39 fully paid ordinary shares held. (“Entitlement Offer”) at **\$0.05 per new Share (“Offer Price”)**
  - In addition, for every 10 New Shares issued 1 Option will also be issued to the Shareholder.
  - Each Option will have an expiry 2 years from issue date, and be exercisable at \$0.12
- EWI, the entity related to Chairman Stewart Elliott, will take up half of it’s \$19.0m entitlement by way of reducing debt owed to it and the balance will be paid in cash.
- The Prospectus includes an Offer to the Lead Manager comprising 10.9m shares issued to the Lead Manager in part payment of fees relating to the transaction.



# Sources and Uses of Proceeds

SOURCES	AUD\$'000	Shares	USES	AUD\$'000
<b>Cash Received from Shares Issued under prospectus</b>	<b>\$44,962</b>	<b>899,250,000</b>	<b>Complete Eromanga</b>	<b>\$19,105</b>
EWI Entitlements take up (Cash)	\$9,538	190,750,000	Petroleum Leases	\$4,180
Shareholders	\$35,425	708,500,000	Compressors	\$2,488
<b>Non-Cash Impact of Offer</b>			Well workovers	\$7,463
EWI Entitlements take up (Reduction of Debt)	<u>\$9,538</u>	<u>190,750,000</u>	Pipelines	\$4,975
<b>Total Entitlement Offer</b>	<b>\$54,500</b>	<b>1,090,000,000</b>	<b>Pagbilao</b>	<b>\$20,896</b>
Fees Paid through issue of shares	\$545	10,900,000	Complete Land Purchases	\$7,463
<b>Total Raised Shares Issued Under Prospectus</b>	<b>\$55,045</b>	<b>1,100,900,000</b>	Complete Transmission Line construction	\$13,433
Shares on Issue Prior to Offer		<u>2,608,134,691</u>	<b>Total Applied to Projects</b>	<b>\$40,000</b>
<b>Total Shares Pro-Forma</b>		<b>3,709,034,691</b>	Working Capital and Transaction Costs	\$2,586
Options Issued Under Prospectus		<u>111,180,000</u>	Landbank debt repayment	\$2,376
Fully Diluted Shares		3,820,214,691	EWI Debt reductions	\$9,538
			<b>Application of Funds raised under Prospectus</b>	<b>\$54,500</b>

## Funds are being raised to:

- **Complete** development of Eromanga and bring it into production
- **Complete** Land Purchases required to build Pagbilao Transmission Line
- **Complete** Pagbilao Transmission Line
- Progress development of Pagbilao Power Plant and Hub
- Reduce debt, fund working capital including Transaction Costs

## Development Timetable and Further Capital Requirements

- Eromanga will be completed within 9 months of funding. First revenues expected in CY23 without additional capex.
- Completion of Pagbilao Plant and Hub requires additional capex.
  - The Company has a high degree of confidence this will be sourced as debt from a banking syndicate with whom negotiations are advancing rapidly. (see page 22)
  - Commissioning of the first 400mw expected CY23 with 250mw steam addition in CY24.

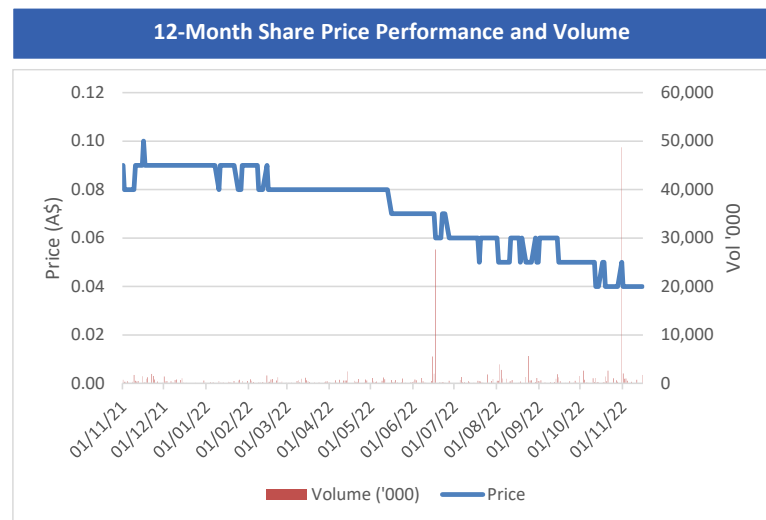


# Corporate Dashboard

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
John Phipps	Non Exec Director
Michael O'Neill	Independent Non-Exec Director
Sean Gardiner	Non Exec Director
Leslie Charles	Independent Non-Exec Director

Key Shareholders	
EWI/ Slipform (Entities related to Elliott family)	35.0%
Orchid Capital Investments (represented by Sean Gardiner)	21.5%
Forte Group / Entities related to John Phipps	<u>5.6%</u>
<b>Total Related Parties</b>	<b>62.1%</b>
4 Holders with >1% total	6.9%
Other	<u>31.0%</u>
	100.0%

Summary Financial Info	FY22	FY21	FY20
Revenue (US\$m)	\$146.0	\$149.4	\$159.2
NPAT (US\$m)	\$9.9	\$1.8	\$12.3
EBITDA (US\$m)	\$67.5	\$87.8	\$77.3
	23/11/22	Offer	PF for Prospectus
Price (A\$)	\$0.040		\$0.05
Total Shares on issue	2,608,134,691	1,100,900,000	3,719,934,691
M.Cap (A\$m)	\$104.3		\$186.0
Options		111,180,000	111,180,000



# INVESTMENT HIGHLIGHTS

## New EBITDA Streams being unlocked



**Pagbilao Power Project being accelerated**



**Eromanga returning to production**

- EWC has received notice from the regional grid operator “NGCP” that their US\$85m substation is nearing completion and was recently energized with facilities ready for EWC’s connection.
- This means EWC needs to accelerate its plans to complete the Pagbilao power project
- Construction time at both Pagbilao and Eromanga to first production and revenue is ~9 months (subject to funding)
- The markets for electricity and LNG in the Philippines and gas in Eastern Australia are very strong as has been widely reported

Indicative Project Economics (US\$m)		
EBITDA Potential (US\$m)	Blocks 1 & 2 Only	With Steam <sup>1</sup>
Pagbilao Power	24.7	181.7
Hub (Power station client only)	15.4	28.0
Eromanga	<u>14.3</u>	<u>14.3</u>
<b>Gas &amp; Power Operations</b>	<b>54.4</b>	<b>223.9</b>
Hub Trading Potential	<u>100.9</u>	<u>88.3</u>
<b>Total</b>	<b>US\$155.3</b>	<b>US\$312.2</b>

*(Excludes Sengkang LNG which will be released once distribution agreements are concluded and indicative economics are known)*

- Eromanga development is expected to be completed within 9 months using proceeds of this Raising. First revenues expected in CY23
- Subject to securing debt funding, completion of Pagbilao Plant and Hub are expected in CY23.
- Included in the debt funding negotiations is provision for a steam turbine (US\$100m). Subject to funding this could be commissioned in CY24.
- Further, the Company has expressions of interest for more power that would require additional gas & steam turbines and could be built on available space, and within hub and transmission line capacity. (Not shown above)



# INVESTMENT HIGHLIGHTS



## Arguably undervalued equity with significant potential for revaluation of assets

### PRO FORMA for the Offer

- Net Asset Value per share is 46c (currently trading at ~4c)
- Estimated value at completion of the projects, is ~\$1.22 per share (see page 15)

- i.e the company is trading significantly below its book values
- A significant revaluation should occur as assets under construction come into production



## Experienced Board and Management

- 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)



## Committed and supportive largest shareholder & contractor

- EWI and Slipform, companies related to EWC's Chairman Stewart Elliott, have an ownership interest of ~35% and have provided large amounts of capital (>US\$500m) in the form of sub-ordinated debt to advance the projects
- EWI has committed to take up its Entitlements

- EWI and Slipform have committed to the Company prior to its loans falling due in 2024 , it will negotiate a repayment plan with the Company in good faith





# GAS AND LNG – A STEP IN THE GREEN DIRECTION

## Importance as a Transition Fuel <sup>(1)</sup>

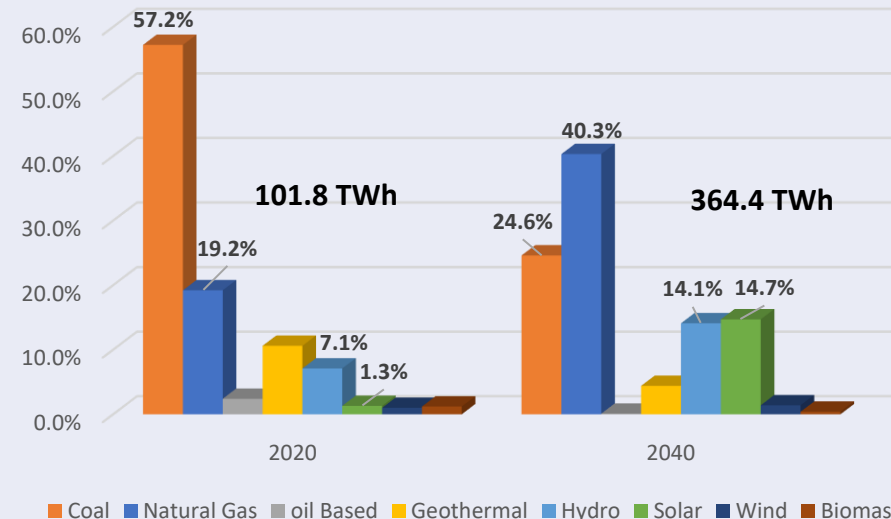
“Natural gas can potentially play two important roles as the world transitions to a low-carbon energy system: increasing the speed at which fast-growing emerging economies reduce their dependency on coal, and providing a source of low-carbon energy when combined with carbon capture, use and storage (CCUS)”

“Growing trade in LNG plays a central role in increasing emerging markets’ access to natural gas, helping to support economic growth and a shift to lower-carbon fuels.”  
**Under all scenario’s LNG trade is set to grow into the next decade however in emerging markets it’s expected it will remain an important power source for longer”**

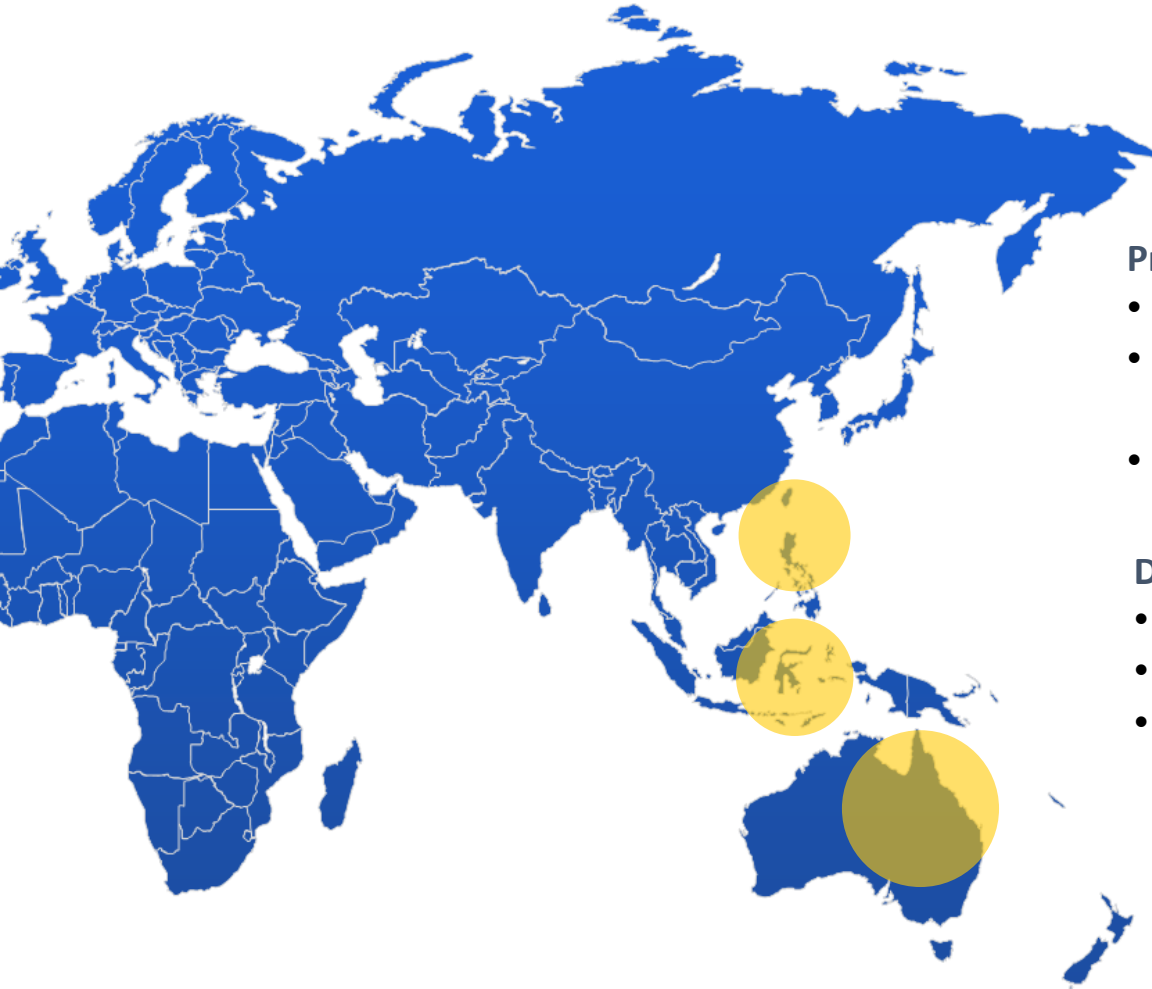
## Demand growth and Fuel Switching a significant regional driver

- Philippines dominated by small ageing, hydrocarbon energy supply
- Demand forecast to grow 3x by 2040
- Natural gas is forecast to be largest power generation source

Philippines Power Generation by Source 2020 vs 2040 (2)



# OUR PROJECTS



## Projects Under Development:

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

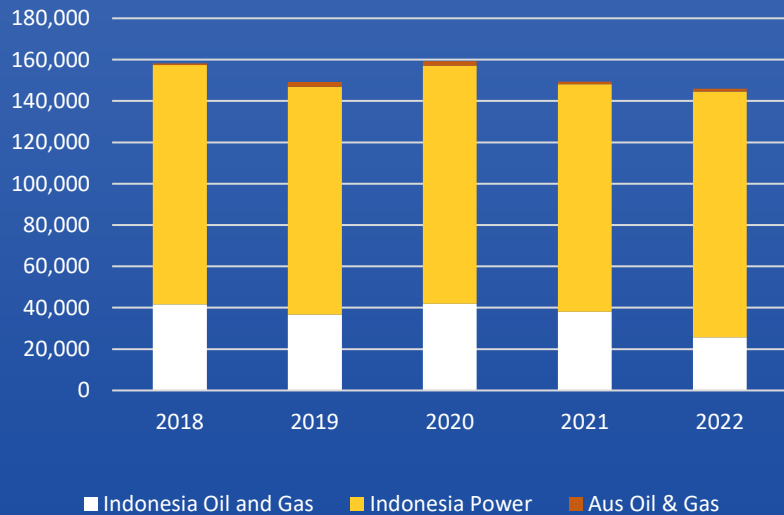
## Developed Projects:

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

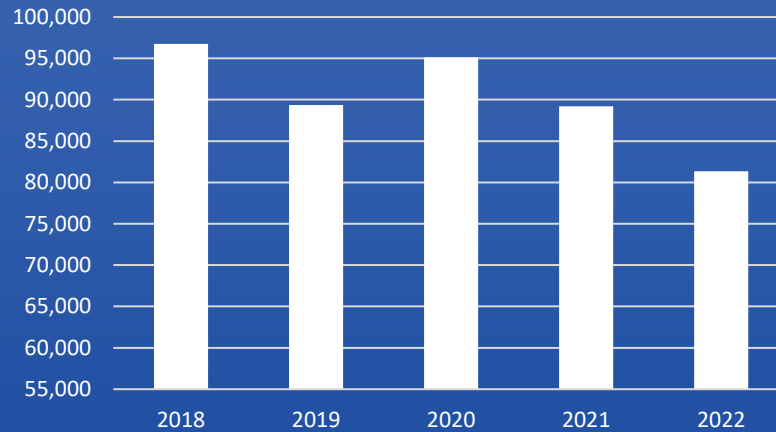


# HISTORICAL FINANCIALS

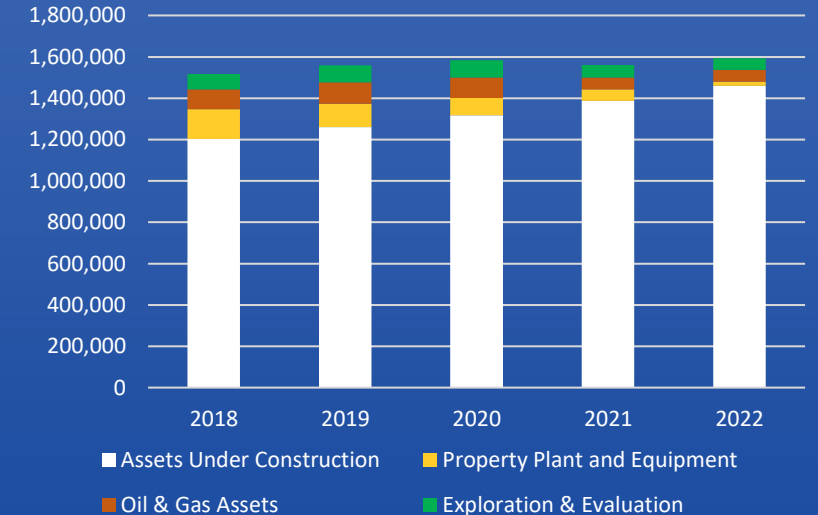
Reported Revenue by Segment (US\$'000)



Gross Profit (US\$'000)



Oil & Gas Assets, PP&E, Assets Under Construction and Exploration & Evaluation Assets (US\$'000)



As a utility revenue has been relatively consistent.

Revenue and profitability was principally derived from the Sengkang power station.

Discussions are on going to renew the commercial arrangements in Indonesia

Assets under construction grows with investment in the projects in the Philippines and Indonesia.



## Debt and Impact of Offer

Debt (at June 22)	US\$'000	A\$'000 (1)	Effect of Offer	Pro Forma (A\$'000)
Slipform *	\$432,219	\$645,103		\$645,103
EWI *	\$60,158	\$89,788	-\$9,538	\$80,251
Accrued Interest and Fees*	\$217,158	\$324,116		\$324,116
HSBC	\$50,832	\$75,869		\$75,869
Standard Chartered <sup>(2)</sup>	\$19,738	\$29,460		\$29,460
Land Bank	<u>\$7,595</u>	<u>\$11,336</u>		<u>\$11,336</u>
<b>Total Debt</b>	<b>\$787,700</b>	<b>\$1,175,672</b>		<b>\$1,166,134</b>
Cash Operating	\$6,487	\$9,682	\$44,962	\$54,645
Reserve accounts	<u>\$57,161</u>	<u>\$85,315</u>		<u>\$85,315</u>
<b>Net Debt</b>	<b>\$724,052</b>	<b>\$1,080,675</b>	<b>\$54,500</b>	<b>\$1,026,175</b>

- \* EWI and Slipform are entities related to Chairman Stewart Elliott. Loans are reflected at principal amount and interest reported in related party creditors
- In 2023 EWI and Slipform restructured their loans reducing interest to 6% and extending the term to June 2024
- EWI and Slipform have committed to the Company prior to its loans falling due in 2024 , it will negotiate a repayment plan with the Company in good faith.



## Pro Forma Enterprise Value and Valuation Metrics

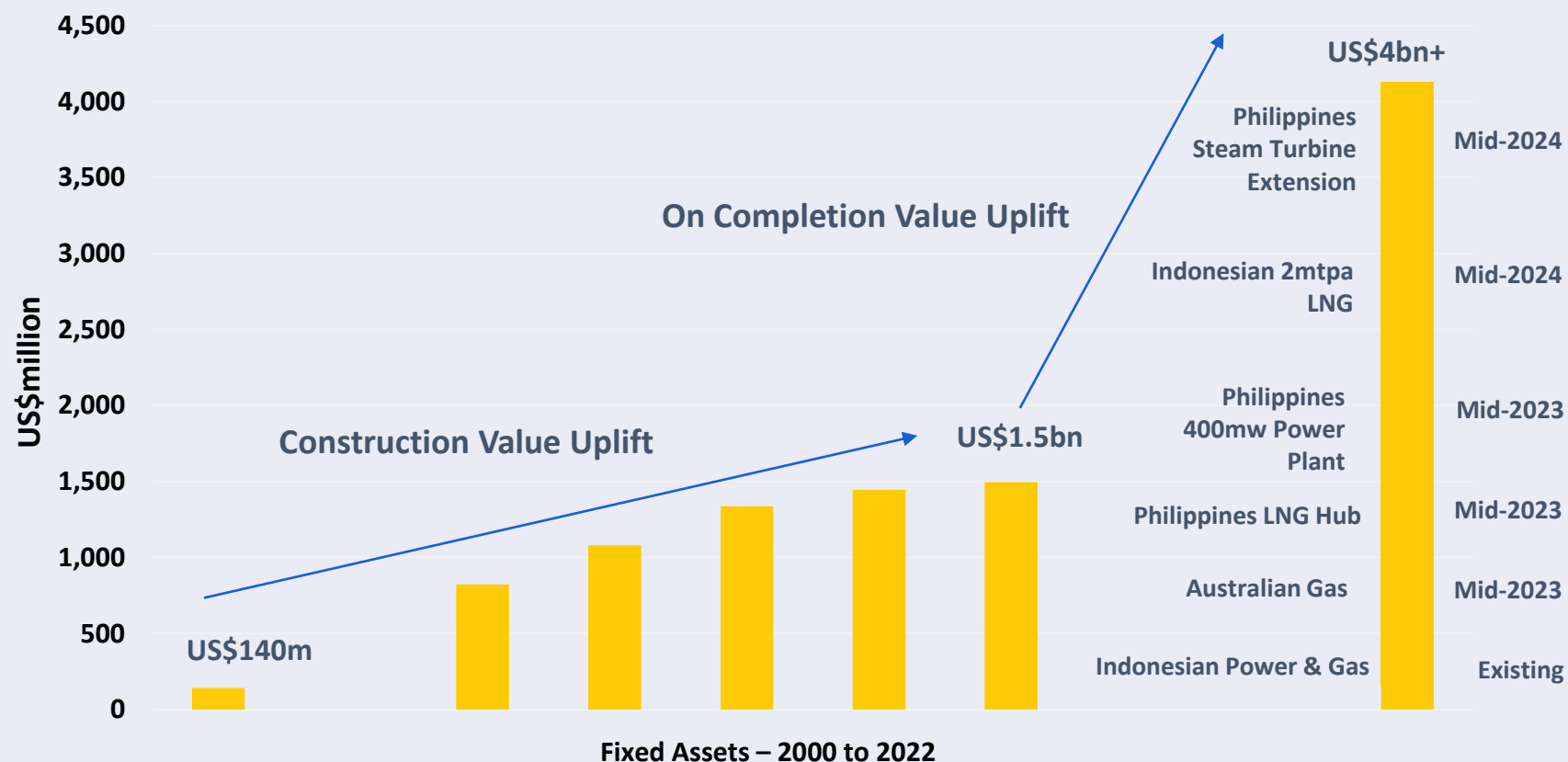
Enterprise Value ('EV') Calculation		A\$'000 (Current Price)	PF A\$'000 (@ Offer Price)
Shares on Issue prior to Capital Raising / M.Cap	2,608,134,691	\$104,325	\$130,407
Shares Issued Under Prospectus	<u>1,100,900,000</u>	-	<u>\$55,045</u>
<b>Total Shares Post Money / Market Cap at Offer Price</b>	<b>3,709,034,691</b>	<b>\$104,325</b>	<b>\$185,452</b>
Net Debt		<u>\$1,080,675</u>	<u>\$1,026,175</u>
<b>Enterprise Value (EV)</b>		<b>\$1,185,000</b>	<b>\$1,211,626</b>
Valuation Metrics (1)	US\$000	A\$000	/Share (PF)
Oil & Gas, PP&E, Assets Under Construction, Exploration & Evaluation Assets	1,593,108	2,377,773	\$0.64
Of Which are Assets Under Construction	1,459,587	2,178,488	\$0.59
Net Assets	798,235	1,191,396	\$0.32

**The Offer Price is a significant discount to its Net Asset Value per share of \$0.32 (Pro Forma)**



# 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

Est Value at Completion (US\$'000)	\$4,000,000
In AUD	\$5,970,149
Less Net Debt	-\$1,012,833
Less Capex (1)	-\$283,582
Equity Value (A\$'000)	\$4,673,734
Shares Pro-Forma ('000)	3,820,215
Equity Value/ share (A\$)	\$1.22

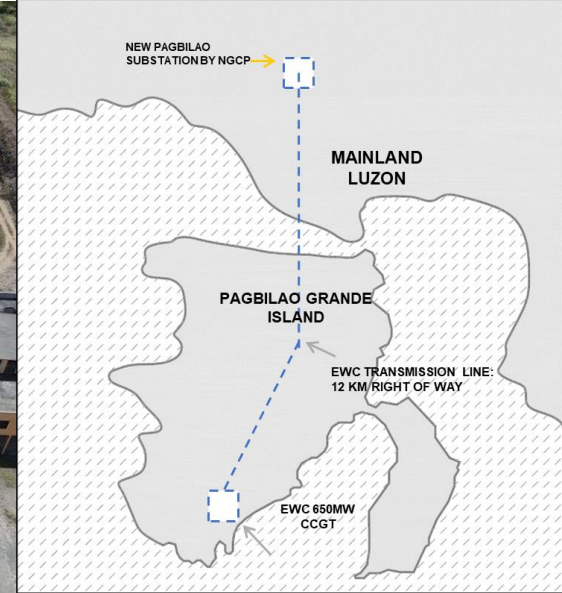




## Philippines Projects:

- Pagbilao LNG Hub Terminal
- 650 MW Power Plant

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



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

EWC are building a 12km 230kva Transmission Line to connect to the main grid at NGCPs new regional US\$85m substation

The capacity of the line will be approx. 2,000 mw (~3x current planned output)





# PAGBILAO: THE PHILIPPINES' 1ST LNG HUB TERMINAL

A strategically important asset for Philippines' nascent gas industry



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

EWC's deep water jetty and loading facilities can accommodate all LNG ship types and sizes. The facility is a licensed private port (complete with customs)

Facility can handle a throughput of 3 mtpa of LNG with the 1<sup>st</sup> 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 charging ~\$1 /mmbtu

Foundations for 2<sup>nd</sup> Tank already laid



# Pagbilao Hub – Indicative Economics

Indicative Project Economics (US\$m)							
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7
Tonnes of LNG Handled	400,000	800,000	1,200,000	1,900,000	2,400,000	2,600,000	2,600,000
Revenue (US\$/t)	51.00	51.00	51.00	51.00	51.00	51.00	51.00
<b>Revenue</b>	<b>20.4</b>	<b>40.8</b>	<b>61.2</b>	<b>96.9</b>	<b>122.4</b>	<b>132.6</b>	<b>132.6</b>
<b>Opex</b>	<b>5.0</b>	<b>5.2</b>	<b>5.6</b>	<b>5.8</b>	<b>6.1</b>	<b>6.3</b>	<b>6.6</b>
Opex (US\$/t)	12.50	6.50	4.67	3.05	2.54	2.42	2.54
<b>EBITDA</b>	<b>15.4</b>	<b>35.6</b>	<b>55.6</b>	<b>91.1</b>	<b>116.3</b>	<b>126.3</b>	<b>126.0</b>

- Alongside are indicative project economics to show the scale of the LNG Hub opportunity.

### Assumptions:

- Revenue of US\$51/t is ~US\$1 /mmbtu.
- Opex equates to ~US\$0.05 /mmbtu
- In Year 1, the Hub processes only LNG required for the power plant (which has been deducted as a cost of that project)
- Of its 3 mtpa capacity only ~500,000 tpa is required to fuel the completed 650 mw power (i.e including steam)
- Significant scope therefore exists to operate an LNG trading business using ~2.5 mtpa spare capacity
- Of the 4 LNG facilities being built in the Philippines (incl EWC's), EWC's is the most advanced
- Enquiries for off-take have already been received
- Additional capex will be required to complete the Hub which the Company has a high degree of confidence will be funded by debt (see Page 22)



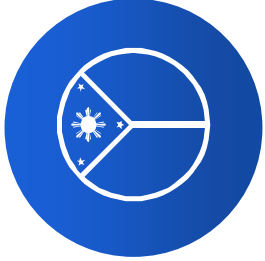
# PAGBILAO: 650 MW CCGT POWER PLANT



- 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 Blocks 1&2 are being accelerated with the commercial operation of the new Pagbilao Substation. Block 3, subject to capital being raised, 9-12 months later
- 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 significantly beyond 650 MW to cater to forecast growth in Philippine demand



# THE FINAL LINK – CONNECTION AGREEMENT SECURED



Main grid connection will be via the new US\$85m 500kva Pagbilao Sub Station being constructed by the National Transmission Corporation (Transco) and National Grid Corporation of the Philippines ('NGCP')

This is a significant regional project which was energised in Oct-22



EWC has signed a connection agreement, is completing land purchases and has commenced construction of the 12km transmission to connect to NGCPs substation

**With the substation now energised EWC is accelerating plans to complete its power station and transmission line**



*Top: NGCPs Sub station (May 2022)*

*Bottom: First Tower foundations of EWCs 12 km Transmission Line*



# Pagbilao Business Plan

Indicative Project Economics					
	Year 1	Year 2	Year 3	Year 4	Year 5
Year End Capacity (MW)	450	450	724	724	724
Average Capacity	50%	50%	70%	70%	70%
Availability Factor	95%	95%	95%	95%	95%
Total electricity generated (GWh)	1,872	1,872	4,218	4,218	4,218
Average Electricity Tariff realised	0.144	0.144	0.125	0.125	0.125
<b>Revenue (US\$m)</b>	<b>269.6</b>	<b>269.6</b>	<b>527.2</b>	<b>527.2</b>	<b>527.2</b>
Tonnes (LNG /GWh)	210	210	130	130	130
Tonnes of LNG Used	393,215	393,215	548,287	548,287	548,287
LNG Price (US\$/t)	510	510	510	510	510
LNG Price (US\$/mmbtu)	9.73	9.73	9.73	9.73	9.73
Terminal Charge (US\$/t)	51.00	51.00	51.00	51.00	51.00
<b>LNG Cost (US\$m)</b>	<b>220.6</b>	<b>220.6</b>	<b>307.6</b>	<b>307.6</b>	<b>307.6</b>
LNG Cost /kWh	0.118	0.118	0.073	0.073	0.073
Opex Cost /kWh	0.013	0.013	0.009	0.009	0.009
<b>Opex (US\$m)</b>	<b>24.3</b>	<b>24.3</b>	<b>38.0</b>	<b>38.0</b>	<b>38.0</b>
<b>EBITDA Potential (US\$m)</b>	<b>24.70</b>	<b>24.70</b>	<b>181.65</b>	<b>181.65</b>	<b>181.65</b>

- Alongside are indicative project economics to show the scale of the Pagbilao Power opportunity.

## Assumptions

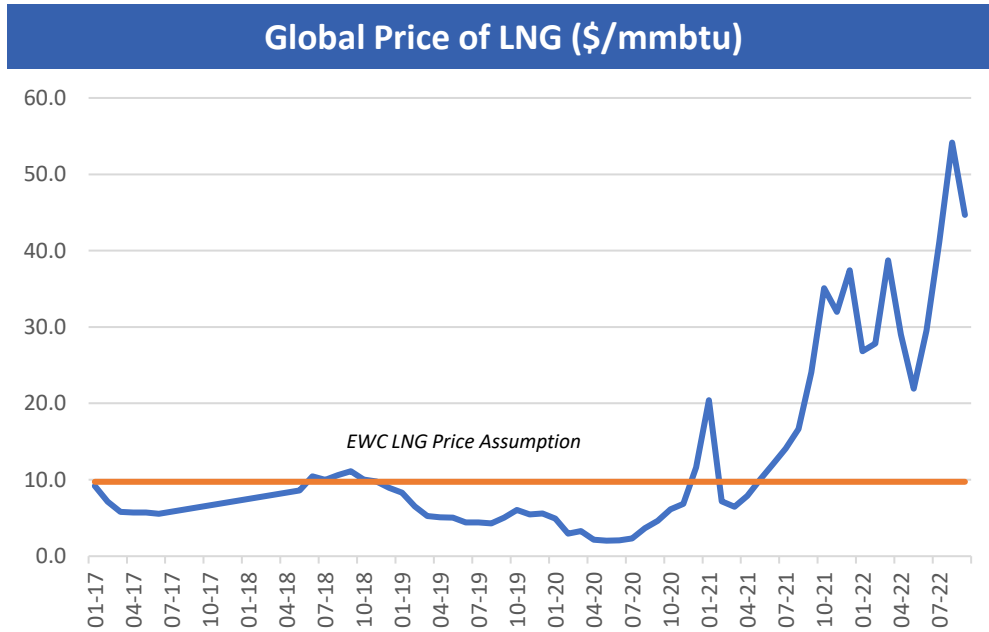
- After this raising, a further US\$130m Capex is required to complete the Hub, the Power Plant and install a steam turbine
- The Company has a high degree of confidence that this will be debt funded as it is in active negotiations with a banks syndicate which are advancing rapidly

Subject therefore to funding and completion:

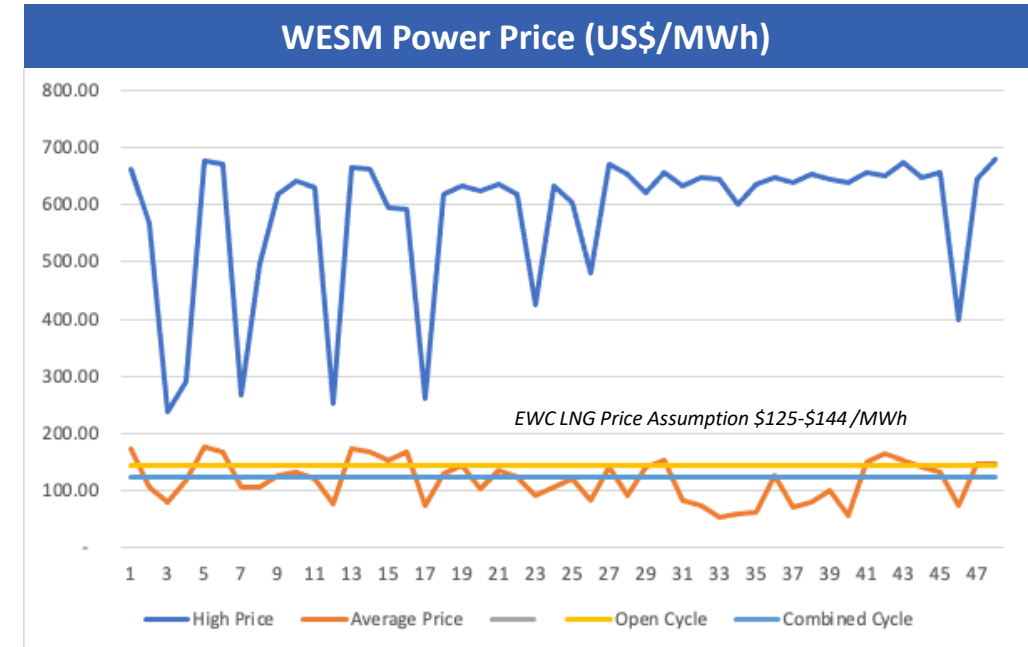
- The Company expects Blocks 1&2 to be commissioned in CY23, with Block 3 (Steam) in CY24
  - the first 12-24 months of operation, power will be sold into the grid at spot prices. Thereafter, or earlier if Block 3 is available EWC may look to secure longer term contracts that offer higher utilization.
  - Block 3 could be commissioned within 6 months of Blocks 1&2 however shown along side in Year 3 to demonstrate the impact on economics.
- Whilst the rating of the plant is 650MW, Siemens has informed the Company a power output upgrade can be introduced during the commissioning.
- LNG is the primary fuel and a significant portion of costs
- EWC notes the current spot market for LNG is significantly higher than the assumption of \$510/t LNG. (\$9/mmbtu) alongside. However:
  - Long term contracts are still being set at ~\$9/mmbtu
  - We expect a stabilization in markets post disruption in Europe
- Terminal Charge \$51/t is an internal charge from the Hub (economics shown separately)



# Pagbilao Business Plan: Market Prices vs Assumptions



Source: FRED



Source: WSAM, USD:PHP .50





# Australian Gas

- Eromanga



# Recommissioning Eromanga



Recently received  
Seven-year extensions  
on PLs 115, 116 and  
117  
Resource of 15.3 BCF  
with potential for  
expansion

Established production  
facilities include  
petroleum wells,  
pipeline infrastructure  
and a gas processing  
facility

Production capacity of  
12tj per day (4 years  
Production on with  
current resource)

Opportunity to sell gas  
directly into eastern  
states' gas markets  
which are reported to  
be in critical short  
supply





# Eromanga Business Plan

Indicative Project Economics					
AUD		Year 1	Year 2	Year 3	Year 4
<b>Production Assumptions</b>					
Availability		85%	85%	85%	85%
Condensate	<i>bbl/day</i>	18	18	18	18
	<i>bbl/yr</i>	5,590	5,590	5,590	5,590
Gas	<i>GJ/day</i>	8,000	9,000	10,000	12,000
	<i>GJ/yr (Net)</i>	2,483,700	2,794,160	3,104,630	3,725,550
<b>Price Assumptions (Net of Discount)</b>					
Condensate	<i>(A\$)</i>	99	99	99	99
Gas	<i>(A\$)</i>	7	7	7	7
<b>P&amp;L (A\$m)</b>					
Condensate		0.6	0.6	0.6	0.6
Gas		17.4	19.6	21.7	26.1
<b>Total Revenue</b>		<b>17.9</b>	<b>20.1</b>	<b>22.3</b>	<b>26.6</b>
Operating Expenses (% of Revenue)	20%	3.6	4.0	4.5	5.3
<b>EBIDTA</b>		<b>14.4</b>	<b>16.1</b>	<b>17.8</b>	<b>21.3</b>
<b>EBITDA (US\$m)</b>		<b>9.6</b>	<b>10.8</b>	<b>11.9</b>	<b>14.3</b>

- Capex of \$13.7 to refurbish wells and existing plant
- Resource of 15.3 BCF has a life of approx. 4 years, however there is potential to extend the life with drilling.
- Estimate <12 month return of the capex invested from this raising.
- Price assumptions are based historical averages, which as has been widely reported, are significantly lower than current prices





## Indonesian Projects:

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

# SENGKANG GAS FIELD

The Sengkang Production Sharing Contract (PSC) is operated under a Joint Operating Agreement (JOA) with PT Energi Maju Abadi (“EMA”). EWC has a 51% interest in the JOA

The PSC was recently extended to 2042 and covers 2,925 km<sup>2</sup> in South Sulawesi.

Gas from the PSC has historically been 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
<b>Total</b>	<b>9,167.18</b>	<b>8,071.40</b>	<b>7,051.61</b>

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



## 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 can produce 315 MW
- Electricity has for over 20 years been sold under a take or pay Power Purchase Agreement ("PPA") with PLN. The PPA expired in September 22.
- EWC is in discussions with PLN w.r.t new commercial arrangements to allow for the sale of gas and production of electricity to re-commence

# SENGKANG LNG



The 100%-owned Sengkang LNG Plant has a design capacity of 2 mtpa, consisting of 4 modular 500,000 tpa trains, an import/export terminal and jetty facilities.

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.

Distribution agreements are being discussed.



# Sengkang Power Plant Update

<b>PPA Status</b>	<ul style="list-style-type: none"> <li>As previously announced the PPA with PLN expired in September.</li> </ul>
<b>Plant Status</b>	<ul style="list-style-type: none"> <li>The Plant has been shut down but is being maintained on a ready-to-operate status</li> </ul>
<b>Stakeholders</b>	<ul style="list-style-type: none"> <li>There are a number of stake holders who have an interest in seeing the power plant returned to operation:             <ul style="list-style-type: none"> <li>The Company and its shareholders and joint venture partners who have otherwise lost a significant revenue source from gas and power sales</li> <li>The Company's employees, contractors and suppliers most of whom are local individuals and small businesses whose jobs are at risk</li> <li>BPMIGAS, a state owned enterprise, as the vendor of the gas used to generate power from the plant it has lost revenues from gas sales relating to the project</li> <li>The people and businesses of Sulawesi who are experiencing brown-outs as a result of the loss of the plant's contributions to the grid</li> <li>The environment, since the plant closure, power it produced has, to a limited extent been replaced with diesel generated power which significantly more polluting (and expensive)</li> <li>PLN as the counterparty to the PPA has lost a stable source of relatively cheap and clean power on its grid.</li> </ul> </li> </ul>
<b>Next Steps</b>	<ul style="list-style-type: none"> <li>EWC maintains its hope that a new commercial arrangements can be agreed</li> <li>Discussions with PLN, various stakeholders and government departments continue</li> <li>The Company's expectation is that an interim agreement will be reached which will restore operations for a period whilst longer term commercial arrangements can be resolved</li> </ul>



# Sengkang LNG Progress Update

<b>Plant</b>	<ul style="list-style-type: none"> <li>• 85% Complete</li> <li>• Capex of ~US\$60m required (not included in Use of Proceeds of this Offer)</li> <li>• Build time approx. 12 months to first LNG, 24 months to full 2mtpa</li> </ul>
<b>Distribution / Off take</b>	<ul style="list-style-type: none"> <li>• It is important for investors to understand Indonesia considers its gas a strategic resource and owns it. Under the PSC, EWC has a license to produce gas.</li> <li>• The amount of gas, EWC can produce is by agreement with various government agencies</li> <li>• An LNG offtake agreement that involves the use of gas as a primary product requires consents from government agencies to increase gas drawn from the PSC and also consents with regards to the end use of the LNG.</li> <li>• Having recognised the importance of LNG as a transition fuel, the Indonesian authorities would like LNG used domestically as a priority vs export</li> <li>• While local LNG infrastructure is being developed, the distributor may well decide to export some LNG</li> <li>• Negotiations with a state-owned lead distributor and local parties with other commercial interests are advanced with commercial terms being negotiated simultaneously with application for consents required.</li> </ul>
<b>Pricing</b>	<ul style="list-style-type: none"> <li>• Pricing is being determined in negotiation with the distributor and end users and is likely to be based on long term, volume, domestic price of LNG rather than current spot market prices (inflated because of issues in Europe)</li> <li>• As an LNG producer, EWC will earn a margin on the LNG it manufactures, taking into account not only the liquefaction process but also related infrastructure it has developed and maintains such as storage, loading, port and shipping lanes all of which have or will be built and then maintained by EWC.</li> </ul>
<b>Funding</b>	<ul style="list-style-type: none"> <li>• With a distribution agreement there are various options that can be considered:             <ul style="list-style-type: none"> <li>• Debt / Project Finance could be available</li> <li>• Options issued as part of this Capital Raising if exercised would raise the Capex required</li> <li>• Equity Markets</li> </ul> </li> </ul>
<b>Next Steps</b>	<ul style="list-style-type: none"> <li>• Completing the distribution arrangements (including obtaining the required consents) is crucial; and other than routine building and occupancy certification is the last third-party controlled hurdle before production.</li> <li>• Once distribution agreements are secured the Company will accelerate the completion of the project.</li> </ul>



# Appendix A: 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.

Some of the key risk factors include:

- a) **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.
- b) **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. Should significant unanticipated costs or delays arise, this could have a material adverse impact on Energy World's business, financial performance, and operations.
- c) **Operational risk** - Energy World is subject to operational risks resulting from inadequate or failed internal processes, systems, 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 materialize, Energy World's operations could be disrupted which may have a material adverse effect on future financial performance and position.
- d) **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.
- e) **Project delivery risk** - There is a risk that Energy World's 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.
- f) **PPA expired on 12 September 2022** - The Company is investigating possible new commercial arrangements with PLN.
- g) **Reliance on key contracts** - Energy World's primary revenue has historically been derived through a contract (PPA) with one party. Energy World has been 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.





## Risk Factors.....continued

- h) **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. 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
- i) **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.
- j) **Commodity risk** - The price that Energy World achieves and/or may achieve for its products and services may be impacted by global commodity prices. Fluctuations in commodity prices, over the long term, may adversely impact the returns from the Company's investments.
- k) **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.
- l) **Financing risk** - Energy World is exposed to financing risk in relation to obtaining sufficient capital to fund its current and future projects as well as refinancing maturing debt.

Additional information on Risk Factors can be found in the Prospectus

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



# Appendix B - International Offer Restrictions

This document does not constitute an offer of new ordinary shares (**Offer Shares**) of the Company in any jurisdiction in which it would be unlawful. In particular, this document may not be distributed to any person, and the Offer Shares may not be offered or sold, in any country outside Australia except to the extent permitted below.

## **New Zealand**

The Offer Shares are not being offered to the public within New Zealand other than to existing shareholders of Energy World with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the Financial Markets Conduct Act (Incidental Offers) Exemption Notice 2016.

This document has been prepared in compliance with Australian law and has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013. This document is not a product disclosure statement under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement under New Zealand law is required to contain.

## **Hong Kong**

WARNING: The contents of this document have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any contents of this document, you should obtain independent professional advice.

## **Singapore**

This document and any other materials relating to the Offer Shares have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this document and any other document relating to the Offer Shares may not be issued, circulated or distributed, nor may the Offer Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part XIII of the Securities and Futures Act, Chapter 289 of Singapore (SFA), or as otherwise pursuant to, and in accordance with the conditions of any other applicable provisions of the SFA.

This document has been given to you on the basis that you are an existing holder of the Company's Shares. If you are not such a shareholder, please return this document immediately. You may not forward or circulate this document to any other person in Singapore.

Any offer is not made to you with a view to the Offer Shares being subsequently offered for sale to any other party. There are on-sale restrictions in Singapore that may be applicable to investors who acquire Offer Shares. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

## **United Kingdom**

Neither this document nor any other document relating to the offer has been delivered for approval to the Financial Conduct Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the Financial Services and Markets Act 2000, as amended (FSMA)) has been published or is intended to be published in respect of the Offer Shares.

The Offer Shares may not be offered or sold in the United Kingdom by means of this document or any other document, except in circumstances that do not require the publication of a prospectus under section 86(1) of the FSMA. This document is issued on a confidential basis in the United Kingdom to fewer than 150 persons who are existing shareholders of the Company. This document may not be distributed or reproduced, in whole or in part, nor may its contents be disclosed by recipients, to any other person in the United Kingdom.

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The Offer Shares offered in the Entitlement Offer may only be offered and sold outside the United States, to persons that are not acting for the account or benefit of a person in the United States, in each case in "offshore transactions" (as defined in n Rule 902(h) under the U.S. Securities Act) in reliance on Regulation S under the U.S. Securities Act, and each beneficial owner on whose behalf you are submitting the personalised Entitlement and Acceptance Form must not be in the United States and must not be acting for the account or benefit of a person in the United States.

Any non-compliance with these restrictions may contravene applicable securities laws.



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## Contact Us

For investor, partner and  
media enquiries, please contact:

+852 2528 0082



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CORPORATION