



Environmental Defenders Office

Our Ref: SE-9739

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Mel Smith
Senior Specialist, Enforcement & Compliance Portfolio Coordination
Enforcement & Compliance
Australian Securities and Investments Commission

Australian Securities Exchange
Exchange Centre
20 Bridge Street
Sydney NSW 2000

By email only: Mel.Smith@asic.gov.au; info@asx.com.au

Dear Ms Smith

Complaint regarding QPM: potential misleading or deceptive conduct and breach of continuous disclosure obligations

1. We act for Environmental Advocacy in Central Queensland (**EnvA-CQ**). EnvA-CQ is a grassroots organisation concerned about our environment, the impacts of climate change and ensuring a just transition to a new energy environment.
2. Our client is concerned about certain statements made by QPM Energy Limited (formerly Queensland Pacific Metals Ltd) (ASX: QPM) (**QPM**) regarding their source of energy for their new Townsville Energy Chemicals Hub (**TECH**) project.
3. The statements of concern were made in QPM's Annual Reports in 2023 and 2024,¹ and an ASX Announcement in 2021.² Copies of the relevant statements are provided in **Annexure A** to this letter.
4. For the reasons that follow, our client is concerned that QPM's statements may constitute misleading or deceptive conduct in contravention of section 1041H of the *Corporations Act 2001* (Cth) (**Corporations Act**) and/or section 12DA of the *Australian Securities and Investments Commission Act 2001* (Cth) (**ASIC Act**). Further, our client is concerned that QPM's

¹ QPM, 'Annual Report for the Year Ended 30 June 2023', 29 September 2023, available at <https://wcsecure.weblink.com.au/pdf/QPM/02718998.pdf>, accessed 4 June 2025; QPM, 'Annual Report to Shareholders for the Year Ended 30 June 2024', 27 September 2024, available at <https://wcsecure.weblink.com.au/pdf/QPM/02858412.pdf>, accessed 4 June 2025.

² QPM, 'ASX Announcement: Clean and Green Nickel – Updated Life Cycle Assessment confirms TECH Project is Carbon Negative', 5 November 2021, available at <https://wcsecure.weblink.com.au/pdf/QPM/02448251.pdf>, accessed 4 June 2025.

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statements may also contravene its continuous disclosure obligations under section 674 of the Corporations Act and/or Australian Securities Exchange (**ASX**) Listing Rule 3.1.

5. As such, our client requests that:

- (a) Australian Securities and Investments Commission (**ASIC**) investigate whether QPM has engaged in misleading or deceptive conduct in contravention of the Corporations Act and/or ASIC Act; and
- (b) ASX require QPM to issue a corrective announcement in relation to the relevant statements.

Background

- 6. QPM is a public Australian company which operates an integrated energy business comprising gas production, processing and compression, gas supply and electricity generation. QPM is listed on the ASX.
- 7. QPM is developing the TECH Project and the Moranbah Gas Project.³ QPM operates an integrated energy business comprising gas production, processing and compression, gas supply and electricity generation.
- 8. QPM is the sole owner of QPM Energy (MGP Upstream) Pty Ltd (**QPME**).⁴ QPME was established 'to source reliable and cost-effective gas for the TECH Project and to provide independent cash flow opportunities',⁵ and, since 25 August 2023, is the owner and operator of the Moranbah Gas Project.⁶ The Moranbah Gas Project will utilise the North Queensland Gas Pipeline (**NQGP**) to transmit gas across North East Queensland from the respective gas fields to Townsville.
- 9. The TECH project is a proposed sustainable battery material refinery to process high-grade laterite ore to produce nickel sulfate and cobalt sulfate, as well as other co-products.⁷ It is 100% owned by QPM.⁸ According to QPM's 2024 Annual Report, the TECH project will require between 11PJ and 14PJ of gas per annum.⁹

QPM's relevant statements

- 10. A summary of the key statements is set out in **Annexure A** to this letter.

³ See QPM, 'Moranbah Gas Project (MGP)', available at <https://qpmenergy.com.au/moranbah-project/>, accessed 4 June 2025.

⁴ See QPM, 'Annual Report to Shareholders for the Year Ended 30 June 2024', 27 September 2024, available at <https://wcsecure.weblink.com.au/pdf/QPM/02858412.pdf>, accessed 4 June 2025, p 66.

⁵ QPM, 'Annual Report to Shareholders for the Year Ended 30 June 2024', 27 September 2024, available at <https://wcsecure.weblink.com.au/pdf/QPM/02858412.pdf>, accessed 4 June 2025, p 6.

⁶ See generally QPM, 'Moranbah Gas Project (MGP)', available at <https://qpmenergy.com.au/moranbah-project/>, accessed 4 June 2025.

⁷ QPM, 'Project Overview', available at <https://techproject.com.au/>, accessed 4 June 2025.

⁸ Ibid.

⁹ QPM, 'Annual Report to Shareholders for the Year Ended 30 June 2024', 27 September 2024, available at <https://wcsecure.weblink.com.au/pdf/QPM/02858412.pdf>, accessed 4 June 2025, p 6.

11. In its 'Annual Report 2023, released to the ASX¹⁰ and available on the 'Investor Centre' section of QPM's website,¹¹ QPM made the following statements, among others, about the TECH project':
- (a) '[...] the Carbon Abatement Hub Project (Northern Hub) [will] vertically integrate the gas supply chain with the TECH Project and facilitate reduction of carbon emissions from waste coal mine.'¹²
 - (b) 'QPM established a wholly owned subsidiary called QPME which has a strategy of producing, processing and transporting waste mine gas in the Northern Bowen Basin (NBB) for the TECH Project and other gas consumers in Northern Australia.'¹³
 - (c) 'QPME has been actively collaborating with regional mine operators to initiate waste gas collection projects.'¹⁴
 - (d) 'This approach offers a dual benefit: it significantly reduces greenhouse gas emissions associated with metallurgical coal mining and secures a reliable gas supply.'¹⁵
 - (e) 'The [TECH] Project will serve as a hub for capturing, processing and transporting this gas resource, leading to a material reduction in Australia's carbon emissions.'¹⁶
 - (f) 'The [TECH] Project is intended to comprise of essential infrastructure for processing waste coal mine gas and connecting to the existing 39PJ per annum capacity North Queensland Gas Pipeline, enabling transportation to the TECH Project and other customers in the Townsville region.'¹⁷
 - (g) 'The TECH project will position itself as a leader in environmentally responsible nickel and cobalt production with negative carbon emissions.'¹⁸
 - (h) 'The TECH Project is estimated to have a negative carbon footprint of 989,213 tonnes of CO2-equivalent emissions per year'.¹⁹

¹⁰ See ASX, 'QPM Annual Report to shareholders', 27 September 2024, available at <https://www.asx.com.au/markets/trade-our-cash-market/announcements.qpm>, accessed 4 June 2025.

¹¹ QPM, 'ASX Announcements', available at <https://qpmenergy.com.au/investor-centre/asx-announcements/>, accessed 4 June 2025.

¹² QPM, 'Annual Report for the Year Ended 30 June 2023', 29 September 2023, available at <https://wcsecure.weblink.com.au/pdf/QPM/02718998.pdf>, accessed 4 June 2025, p 6

¹³ QPM, 'Annual Report for the Year Ended 30 June 2023', 29 September 2023, available at <https://wcsecure.weblink.com.au/pdf/QPM/02718998.pdf>, accessed 4 June 2025, p 8. See also p 6.

¹⁴ QPM, 'Annual Report for the Year Ended 30 June 2023', 29 September 2023, available at <https://wcsecure.weblink.com.au/pdf/QPM/02718998.pdf>, accessed 4 June 2025, p 8.

¹⁵ QPM, 'Annual Report for the Year Ended 30 June 2023', 29 September 2023, available at <https://wcsecure.weblink.com.au/pdf/QPM/02718998.pdf>, accessed 4 June 2025, p 8.

¹⁶ QPM, 'Annual Report for the Year Ended 30 June 2023', 29 September 2023, available at <https://wcsecure.weblink.com.au/pdf/QPM/02718998.pdf>, accessed 4 June 2025, p 8.

¹⁷ QPM, 'Annual Report for the Year Ended 30 June 2023', 29 September 2023, available at <https://wcsecure.weblink.com.au/pdf/QPM/02718998.pdf>, accessed 4 June 2025, p 8.

¹⁸ QPM, 'Annual Report for the Year Ended 30 June 2023', 29 September 2023, available at <https://wcsecure.weblink.com.au/pdf/QPM/02718998.pdf>, accessed 4 June 2025, p 9.

¹⁹ QPM, 'Annual Report for the Year Ended 30 June 2023', 29 September 2023, available at <https://wcsecure.weblink.com.au/pdf/QPM/02718998.pdf>, accessed 4 June 2025, pp 6, 9.

12. In its Annual Report 2024, released to the ASX²⁰ and available on the 'Investor Centre' section of QPM's website,²¹ QPM made the following statements, among others, about the TECH project:²²
- (a) 'The Townsville Energy Chemicals Hub (TECH) Project aims to establish a modern and sustainable refinery'.²³
 - (b) 'If the Project is successful, the key benefits would include: The conversion of this gas from a waste product and GHG emission into a commercially viable resource [...] This could change the approach to gas extraction in coal mining, turning a safety and emissions issue into an economic asset. [...] Given that gas is captured prior to migration to the mining area, it will directly reduce carbon emissions'.²⁴
 - (c) 'The MGP [Moranbah Gas Project] is located in the Northern Bowen Basin and collects, processes and transports waste mine gas for industrial users and electricity generation'.²⁵
 - (d) 'The TECH Project is estimated to have a negative carbon footprint of 989,213 tonnes of CO2-equivalent emissions per year'.²⁶
13. In an ASX announcement in 2021, QPM made the following statements about the TECH Project:
- (a) 'Annual reduction in Australia's greenhouse gas emissions as a result of the TECH project is estimated at 238,000 tonnes CO2-equivalent, the equivalent of ~52,000 typical passenger vehicles'.²⁷
 - (b) 'TECH Project will utilise waste mine gas from the Bowen Basin which would be either flared or directly emitted to the atmosphere as a fugitive emission of methane which has a Global Warming Potential factor of 25 times that of CO2'.²⁸

²⁰ ASX, 'QPM Annual Report to shareholders', 27 September 2024, available at

<https://www.asx.com.au/markets/trade-our-cash-market/announcements.qpm>, accessed 4 June 2025.

²¹ QPM, 'ASX Announcements', available at <https://qpmenergy.com.au/investor-centre/asx-announcements/>, accessed 4 June 2025.

²² QPM Annual Report 2024- [CRESO PHARMA LIMITED](#)

²³ QPM, 'Annual Report to Shareholders for the Year Ended 30 June 2024', 27 September 2024, available at <https://wcsecure.weblink.com.au/pdf/QPM/02858412.pdf>, accessed 4 June 2025, p 6.

²⁴ QPM, 'Annual Report to Shareholders for the Year Ended 30 June 2024', 27 September 2024, available at <https://wcsecure.weblink.com.au/pdf/QPM/02858412.pdf>, accessed 4 June 2025, p 7.

²⁵ QPM, 'Annual Report to Shareholders for the Year Ended 30 June 2024', 27 September 2024, available at <https://wcsecure.weblink.com.au/pdf/QPM/02858412.pdf>, accessed 4 June 2025, p 7.

²⁶ QPM, 'Annual Report to Shareholders for the Year Ended 30 June 2024', 27 September 2024, available at <https://wcsecure.weblink.com.au/pdf/QPM/02858412.pdf>, accessed 4 June 2025, p 8.

²⁷ QPM, 'ASX Announcement: Clean and Green Nickel – Updated Life Cycle Assessment confirms TECH Project is Carbon Negative', 5 November 2021, available at <https://wcsecure.weblink.com.au/pdf/QPM/02448251.pdf>, accessed 4 June 2025, p 1.

²⁸ QPM, 'ASX Announcement: Clean and Green Nickel – Updated Life Cycle Assessment confirms TECH Project is Carbon Negative', 5 November 2021, available at <https://wcsecure.weblink.com.au/pdf/QPM/02448251.pdf>, accessed 4 June 2025, p 1.

- (c) 'The TECH Project has now established itself as a leader in sustainable nickel production with net negative carbon nickel production combined with minimal environmental footprint given no tailings dam or zero process liquids discharge.'²⁹
 - (d) 'Whist [sic] there will be direct CO2 emissions and embodied CO2 impacts from the [TECH] Project, this will be more than offset by the mitigated environmental impact from its gas sourcing strategy.'³⁰
 - (e) 'QPM is delighted with the outcome of the report which calculates that the TECH Project will not just be net zero carbon but will actually reduce Australia's carbon emissions by 14.9 kg CO2 equivalent for every kg of nickel in nickel sulfate.'³¹
14. Our client considers that by making the above statements, alone or in combination, QPM represented the following:
- (a) the TECH project will be powered by waste gas (**Waste Gas Representation**); and
 - (b) the TECH project will be carbon neutral or net negative carbon emissions or providing material reduction in emissions (**Emissions Reduction Representation**),
- together, the **Representations**.

Why the Representations are potentially misleading or deceptive

Relevant provisions of the Corporations Act and ASIC Act

15. Section 1041H of the Corporations Act provides:
- '(1) A person must not, in this jurisdiction, engage in conduct, in relation to a financial product or a financial service, that is misleading or deceptive or is likely to mislead or deceive.'
16. Section 12DA of the ASIC Act provides:
- '(1) A person must not, in trade or commerce, engage in conduct in relation to financial services that is misleading or deceptive or is likely to mislead or deceive.'
17. The Representations were aimed at members of the public including investors or potential investors in QPM, having been made publicly to the ASX their Annual Reports. As such, the Representations were made in relation to:

²⁹ QPM, 'ASX Announcement: Clean and Green Nickel – Updated Life Cycle Assessment confirms TECH Project is Carbon Negative', 5 November 2021, available at <https://wcsecure.weblink.com.au/pdf/QPM/02448251.pdf>, accessed 4 June 2025, p 1.

³⁰ QPM, 'ASX Announcement: Clean and Green Nickel – Updated Life Cycle Assessment confirms TECH Project is Carbon Negative', 5 November 2021, available at <https://wcsecure.weblink.com.au/pdf/QPM/02448251.pdf>, accessed 4 June 2025, p 1.

³¹ QPM, 'ASX Announcement: Clean and Green Nickel – Updated Life Cycle Assessment confirms TECH Project is Carbon Negative', 5 November 2021, available at <https://wcsecure.weblink.com.au/pdf/QPM/02448251.pdf>, accessed 4 June 2025, p 2.

- (a) a financial product (being QPM's shares)³² for the purposes of section 1041H of the Corporations Act; or
 - (b) in relation to financial services, as they relate to dealing in or issuing of a financial product (being QPM's shares),³³ for the purposes of section 12DA of the ASIC Act.³⁴
18. Being external communications made in furtherance of QPM's commercial interests,³⁵ the Representations were also made in trade or commerce for the purposes of section 12DA of the ASIC Act

Alleged misleading or deceptive nature of the Statements

Waste Gas Representation

19. Moranbah Gas has been in production since 2006, extracting gas from coal seams, and includes 120 wells and associated gas infrastructure, as well as existing direct connection to 5 operating coal mines for capture and processing of waste mine gas.³⁶ Between CY16 and CY22, historical gas sales at Moranbah have fluctuated between 9PJ and 12PJ of gas per annum, less than the required gas to power the TECH project.³⁷ In these circumstances, QPM has sourced other gas to supply to the TECH project, entering into MOUs for further supply, including:
- A MOU between QPME and RATCH-Australia for the supply of gas (targeting 5PJ per annum) to the Townsville Power Station including rights to the direct sale of energy generated to the National Energy Market on an as available basis;³⁸ and

³² A security in the form of a share is expressly stated to be a financial product in sections 764A with 761A of the Corporations Act.

³³ A security in the form of a share is expressly stated to be a financial product in section 12BAA(7) of the ASIC Act. ASIC Act, section 12BAB.

³⁴ The authorities support the conclusion that a public company that makes public statements that are directed to or easily accessible by its investors or potential investors, about its business likely amounts to conduct "in relation to a financial product": *Australian Securities and Investment Commission v Narain* (2008) 169 FCR 211 at [66]-[87] and *Australian Securities and Investment Commission v Fortesque Metals Group Ltd (No 5)* [2009] FCA 1586; 264 ALR 201 at [648]-[659].

³⁵ See, for example, *Re Ku-Ring-Gai Co-Operative Building Society (No 12) Ltd* (1978) 36 FLR 134, at 166-167 (per Deane J, Brennan J agreeing, Bowen CJ dissenting); *Sykes v Reserve Bank of Australia* (1998) 88 FCR 511, at 516, 521 (per Heerey and Sunberg JJ, Emmett J not deciding); *Australian Securities and Investments Commission v Sydney Investment House Equities Pty Ltd* [2008] NSWSC 1224 at [454], [468] per Hamilton J (holding that it was "clear" that representations made in an information memorandum and prospectus were made in trade or commerce).

³⁶ QPM, 'Moranbah Gas Project', available at <https://qpmenergy.com.au/moranbah-project/>, accessed 6 June 2025.

³⁷ QPM, 'Re-Energising Australia with Critical Battery Metals Production: Moranbah Project Acquisition', April 2023, p 11, available at <https://wcsecure.weblink.com.au/pdf/QPM/02651815.pdf>, accessed 6 June 2025.

³⁸ QPM, 'ASX Announcement: QPME signs MOU with Ratch to secure 100% of the Townsville Power Station's Generation Capacity', 14 June 2023, available at <https://wcsecure.weblink.com.au/pdf/QPM/02675633.pdf>, accessed 6 June 2025.

- Incitec Pivot Limited for the supply of 7 PJ gas per annum,³⁹ for the manufacturing of explosives at Dyno Nobal (located near to the Moranbah Gas Projects).

Our client is concerned that neither of these gas supplies appear to be based on waste gas.

20. Indeed, in the ASX Announcement dated 14 June 2023 announcing QPME's MOU with Ratch Australia Corporation Pty Ltd, QPM wrote:

'In order to meet the needs of the TECH Project, QPME plans to ramp up production from the Northern Bowen Basin to 20+PJ per annum in parallel with the construction of the TECH Project.'⁴⁰ (Emphasis added.)

21. In November 2019, Pure Minerals Ltd, the parent company of QPM, provided an update on 12 November 2019 that QPM entered into a non-binding MOU with Blue Energy to supply an indicative 7PJ of gas per annum for 15 years for the TECH project (totalling 105PJ) from the Sapphire production licence.⁴¹ The ATP 814 Sapphire Block, located in Queensland's northern Bowen Basin, appears to be a coal seam gas field being developed by Blue Energy,⁴² rather than waste gas.⁴³
22. Our client is concerned that providing green field gas to the TECH Project is inconsistent with its Waste Gas Representation made in its Annual Reports and ASX announcements and as described above. These observations have triggered concerns that the TECH project is, in reality, forming a staged part of further coal seam gas projects in the region, and that QPM is using misleading or deceptive representations to further these projects.

Emissions Reduction Representation

23. The TECH Project Planning Assessment report noted that the TECH project involves the following estimated scope 1 and 2 GHG emissions:⁴⁴

Source	Scope 1 (t CO2-e/year)	Scope 2 (t CO2-e/year)	Total
Natural gas combustion	772,950	-	772,950

³⁹ QPM, 'ASX Announcement: Vertical Integration of Energy Supply Chain: Acquisition of the Moranbah Project', 5 April 2023, available at <https://wcsecure.weblink.com.au/pdf/QPM/02651787.pdf>, accessed 6 June 2025.

⁴⁰ QPM, ASX Announcement, 114 June 2023, 'QPME signs MOU with Ratch to secure 100% of the Townsville Power Station's Generation Capacity', available at <https://wcsecure.weblink.com.au/pdf/QPM/02675633.pdf>, accessed 5 June 2025.

⁴¹ Pure Minerals Limited, 'ASX Release: Memorandum of Understanding signed with Blue Energy regarding supply of gas for the TECH project', 12 November 2019, available at <https://announcements.asx.com.au/asxpdf/20191112/pdf/44bhm4j97vydr4.pdf>, accessed 6 June 2025. Note that the underlying MOU does not appear to be publicly available.

⁴² See generally, Blue Energy, 'Sapphire 5 Production Testing Update', 31 October 2022, available at <https://blueenergy.com.au/wp-content/uploads/2022/10/221031-Sap-5-Update.pdf>, accessed 6 June 2025.

⁴³ See SLR, 'Environmental Authority Application Sapphire (PL1035), Central (PL1038), Lancewood (PL1045) Supporting Information, January 2022 available at https://environment.desi.qld.gov.au/_data/assets/pdf_file/0026/263591/a-ea-new-100196712-supporting-information.pdf, accessed 10 June 2025; Blue Energy, 'Financial Report for the Year Ended 30 June 2023', p 43 available at <https://blueenergy.com.au/wp-content/uploads/2023/09/230913-Annual-Report.pdf>, accessed 10 June 2025.

⁴⁴ TECH Project Planning Assessment Report, Table 7.3, Appendix H, p. 44, available [here](#).

Diesel combustion	6	-	6
Electricity combustion	-	49,056	49,056
Total	772,956	49,056	882,012

24. Scope 3 emissions were not canvassed in the assessment. The calculations are described further at Appendix E of Appendix H to the Planning Assessment Report for the DA.⁴⁵
25. We note that the above assessment shows a positive scope 1 figure of 772,950 t CO₂-e per year. We further note that emissions are created by the combustion of natural gas, whatever its source and are a future representation as to projected emissions. The basis for QPM's Emissions Reduction Representation appears unclear and inconsistent with the planning assessment report, and our client is concerned that QPM does not have a reasonable basis to make these representations.
26. On its website, QPM states that a life cycle assessment conducted by Minviro calculated the TECH project's carbon footprint at negative 989,213 tonnes per annum.⁴⁶ Our client notes that a copy of the Minviro report is not publicly available, nor has our client been able to obtain the report to date, and is concerned that there is not a reasonable basis to make the Emissions Reduction Representation.
27. On the basis of:
- (a) the figures above at paragraph 23; and
 - (b) QPM's representation set out above at paragraph 13 that 'Whist [sic] there will be direct CO₂ emissions and embodied CO₂ impacts from the [TECH] Project, **this will be more than offset by the mitigated environmental impact from its gas sourcing strategy**',⁴⁷
28. Our client infers that Emissions Reduction Representation must be based on some concept of avoided emissions, suggesting that methane otherwise vented will balance CO₂ burned. Our client notes that this has not been clearly disclosed, and is further concerned that this concept of avoided emissions will not provide a reasonable basis for QPM's Emissions Reduction Representation.
29. In summary, a concept of avoided emissions involves the reduction of forecast greenhouse gas emissions that it is expected would otherwise have been released into the atmosphere, rather than taking existing greenhouse gases from the atmosphere. Purporting to offset greenhouse gas emissions by avoiding emissions in this way does not remove any greenhouse gases from the atmosphere, nor does it result in a balance between human-cause greenhouse gas emissions and removals. We note for completeness that purporting to offset greenhouse gas emissions by a concept of avoiding emissions of methane over a timescale longer than around 12 years may well result in further increases in the

⁴⁵ TECH Project Planning Assessment Report, Appendix H, Appendix E, p. E.1 (p. 78), available at <https://eplanning.townsville.qld.gov.au/Common/Output/DocumentAccess.aspx?id=%2BPpFA1tv37tfOwtOyelnrQ%3D%3D&ext=pdf>, accessed 6 June 2024.

⁴⁶ QPM, 'Project Overview', available at <https://techproject.com.au/>, accessed 6 June 2025.

⁴⁷ QPM, 'ASX Announcement: Clean and Green Nickel – Updated Life Cycle Assessment confirms TECH Project is Carbon Negative', 5 November 2021, available at <https://wcsecure.weblink.com.au/pdf/QPM/02448251.pdf>, accessed 4 June 2025, p 1.

atmospheric concentration of greenhouse gases, compounding climate change and global warming.⁴⁸

30. Our client is concerned that the Emissions Reduction Representation is misleading in circumstances where no real emissions reductions measures appear to be taking place. The basis of the Emissions Reduction Representation has not been adequately disclosed, and our client is concerned that there is no reasonable basis for the representation if it is based on a concept of avoidance emissions, as discussed above. Furthermore, our client has significant concerns, as outlined above, in relation to whether the Waste Gas Representation is itself misleading.

The Representations may breach QPM's continuous disclosure obligations

31. As outlined above, QPM is a publicly listed company, and therefore a 'disclosing entity' for the purposes of ss 1001A and 1001B of the Corporations Act.⁴⁹ We note that QPM is subject to regular reporting and disclosure obligations pursuant to Chapter 6CA of the Corporations Act. QPM is required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or value of QPM's securities.
32. Pursuant to section 674(2) of the Corporations Act, QPM must notify the market of information that a reasonable person would expect to have a material effect on the price or value of QPM's shares. Similarly, ASX Listing Rule 3.1 requires QPM to immediately notify the ASX of any information concerning the company which it is or becomes aware of, and which a reasonable person would expect to have a material effect on the price or value of its shares.
33. QPM's acquisition of gas from Blue Energy is likely to be information that would have a material effect on the price or value of QPM's shares, particularly in the context of increasing

⁴⁸ This is because methane is a more potent, but far shorter lived, greenhouse gas, and because of the way avoided emissions are calculated. The amount of emissions avoided is calculated by reference to the 'global warming potential' (**GWP**) of methane over a 100-year period as compared to CO₂. On this basis, a company will be assumed to have avoided 28 tonnes of CO₂ for avoiding 1 tonne of methane (see reference below). However, if a company were to emit 1 tonne of methane, after around 12 years, most of that methane would be removed from the atmosphere by natural processes, primarily broken down through oxidation into carbon dioxide and water. In these circumstances, after around 12 years, there will be less than 1 tonne of CO₂ emitted into the atmosphere after around 12 years (**Position Post 12 Years**) (see NASA, 'Methane', January 2025, available at <https://climate.nasa.gov/vital-signs/methane/?intent=121>, accessed 11 June 2025). However, if you assume that 28 tonnes of CO₂ has been avoided and, on that basis, think that emitting 28 tonnes of CO₂ will balance what has been avoided, that is incorrect over a timescale greater than 12 years. If 28 tonnes of CO₂ were actually emitted, this would far exceed the concentration of CO₂ in the atmosphere under the Position Post 12 Years, resulting in a greater concentration of greenhouse gases being released into the atmosphere overall. While our client notes that cutting methane emissions quickly is important, our client notes that the Emissions Reduction Representation, if made based on a concept of avoidance, may be misleading, particularly in circumstances where the relevant audience is not familiar with the issues in relation to avoidance and the science regarding methane. For an explanation of global warming potential calculation and methane, see Clean Energy Regulator, 'Global Warming Potential', 22 March 2024 available at <https://cer.gov.au/schemes/national-greenhouse-and-energy-reporting-scheme/about-emissions-and-energy-data/global-warming-potential#:~:text=The%20heat%2Dtrapping%20ability%20of,28%20tonnes%20of%20carbon%20dioxide,> accessed 11 June 2026.

⁴⁹ Corporations Act, section 111AP.

investor scrutiny and concern in relation to greenhouse gas emissions (see above at paragraph 21 regarding Blue Energy's coal seam gas project, Sapphire Block).

34. In *ASIC v Fortescue Metals Group Ltd* [2011] FCAFC 19, the Full Federal Court held (at [181]) that making a false or misleading announcement under Listing Rule 3.1 will trigger a separate obligation under that Listing Rule and section 674 of the Corporations Act to make a corrective announcement.⁵⁰
35. Under ASX Listing Rule 3.1B, if ASX considers that there is or is likely to be a 'false market' in an entity's securities, it may require the entity to give ASX any information it asks for to correct or prevent the false market. The ASX Listing Rules Guidance Note 8 notes that a 'false market' may arise where 'a listed entity has made a false or misleading announcement'.⁵¹ Under Listing Rule 18.8, ASX may also require an entity to do or refrain from doing any act or thing that, in ASX's opinion, is necessary to ensure or facilitate compliance with the listing rules, including to give specific information to ASX for release to the market and to update, correct or retract information previously released to the market.
36. We also note that giving false or misleading information to the ASX also has the potential to breach section 1309 of the Corporations Act.
37. For the reasons above, our client is concerned that by making the Representations, QPM has made a false or misleading announcement. In these circumstances, our client requests that in light of the matters raised in this letter, ASX require QPM to issue a corrective announcement in relation to the Representations.

Harm associated with the conduct

38. QPM has focused on the benefits of reuse of waste gas. Indeed, methane is a potent GHG which has more than 28 times the warming potential of carbon dioxide over a 100-year period, and when measured over a 20-year period its global warming potential rises to 84 times that of CO₂.⁵² Indeed, methane is responsible for around 30% of the rise in global temperatures since the industrial revolution.⁵³
39. In these circumstances, the reuse and repurposing of methane forms an important mitigation activity. However, our client considers it important that QPM is transparent with investors regarding its operations. Our client notes that the sale of products marketed as from waste gas rather than from new exploration for gas is likely to be attractive to

⁵⁰ Note that, in overturning the decision of the Full Federal Court, the High Court was not required to rule on this point (see *Forrest v ASIC* [2012] HCA 39, at 66).

⁵¹ ASX, 'ASX Listing Rules: Guidance Note 8', available at https://www.asx.com.au/documents/rules/Guidance_Note_8.pdf, at [5.1].

⁵² UNECE, Best Practice Guide for Effective Methane Management in the Oil and Gas Sector, 2019, pp 1-2, available at https://unece.org/DAM/energy/images/CMM/CMM_CE/Best_Practice_Guidance_for_Effective_Methane_Management_in_the_Oil_and_Gas_Sector_Monitoring_Reporting_and_Verification_MRV_and_Mitigation-FINAL_with_covers.pdf, accessed 6 June 2025.

⁵³ IEA Global Methane Tracker 2025, p 16; Intergovernmental Panel on Climate Change, Chapter 02 Changing State of the Climate System, in *Climate Change 2021: The Physical Science Basis*, Contribution of the Working Group I to the Sixth Assessment Report of the Intergovernmental Panel on Climate Change, 2021, Gulev, S.K., et al. (eds). Table 2.2 p. 302

investors who are concerned with anthropogenic climate change. However, for the reasons explained above, our client is concerned that the Representations may be misleading or deceptive, and may contravene the terms of the Corporations Act, ASIC Act and ASX Listing Rules as set out above.

Request to investigate

40. For the above reasons, our client requests that:
- (a) ASIC investigate whether QPM has engaged in misleading or deceptive conduct in contravention of the Corporations Act and/or ASIC Act; and
 - (b) ASX require QPM to issue a corrective announcement in relation to the Representations.
41. If you would like to discuss any matters raised in this complaint, please do not hesitate to contact us at kirsty.ruddock@edo.org.au.

Yours faithfully

Environmental Defenders Office

A handwritten signature in dark ink, appearing to read 'K Ruddock', with a long horizontal flourish extending to the right.

Kirsty Ruddock

Managing Lawyer

Corporate and Commercial

ANNEXURE A – Extracted Representations made by QPM

<p>QPM FY24 Report</p>	<p>The Townsville Energy Chemicals Hub (TECH) Project which aims to establish a modern and sustainable refinery to produce nickel, cobalt and High Purity Alumina (HPA) for the burgeoning lithium-ion battery and electric vehicle industries, and high-grade hematite for the global steel sector. The TECH Project when in production is expected to require between 11-14 PJ of gas per annum. QPME was established to source reliable and cost-effective gas for the TECH Project and to provide independent cash flow opportunities. (p.6)</p> <p>If the Project is successful, the key benefits would include:</p> <ul style="list-style-type: none"> • The conversion of this gas from a waste product and GHG emission into a commercially viable resource thus improving the economic returns from the Moranbah Project. • This could change the approach to gas extraction in coal mining, turning a safety and emissions issue into an economic asset. • Given that gas is captured prior to migration to the mining area, it will directly reduce carbon emissions. • The potential for a significant increase in gas resources and reserves at the Moranbah Project (p.7) <p>In August 2023, QPME acquired the Moranbah Project (“MGP”) as part of QPM’s vertically integrated energy supply chain strategy for the TECH Project. The transaction involves acquiring 100% of the assets of the MGP from the Arrow Energy Group and AGL Energy Ltd. The MGP is located in the Northern Bowen Basin and collects, processes and transports waste mine gas for industrial users and electricity generation. Key customers include Dyno Nobel and the Townsville Power Station. (p.7)</p> <p>Sustainability and Environmental Responsibility: The TECH Project is estimated to have a negative carbon footprint of 989,213 tonnes of CO₂-equivalent emissions per year, which is approximately equivalent to the emissions generated by 215,000 typical passenger vehicles annually. Furthermore, the TECH Project has achieved the remarkable milestone of generating zero solid waste. Through extensive test work demonstrating that the residues from the TECH Project can be repurposed as engineered fill, there is now potential to find economically viable applications for this waste stream. The ability to utilise these residues as engineered fill ensures that 100% of the ore processed by the TECH Project contributes to a commercially valuable application. This accomplishment effectively positions the TECH Project as a zero solid waste operation. (p.8)</p>
<p>QPM FY23 Report</p>	<p>During FY23 the groups achievements include: (p.6)</p> <ul style="list-style-type: none"> • Completion of updated Life Cycle Assessment, which has re-estimated the TECH Project to have net negative carbon emissions of 989,213 tonnes per annum when in steady state production. • End of Waste Code application submitted for approval to use TECH Project residue for engineered landfill which will enable QPM to achieve its goal of being zero solids waste.

	<ul style="list-style-type: none"> • Launch of QPME, and the Carbon Abatement Hub Project (Northern Hub) to vertically integrate the gas supply chain with the TECH Project and facilitate reduction of carbon emissions from waste coal mine. <p>End of waste code: QPM has submitted the End of Waste Code (“EOW”) application to the Department of Environment and Science (“DES”). The EOW Code would facilitate a previously characterised waste stream to be used as an engineered fill. Receiving the EOW Code approval would allow QPM to immediately utilise waste residue in commercial applications and confirm the TECH Projects zero solid waste strategy (p.8)</p> <p>CAH Project (p.8)</p> <ul style="list-style-type: none"> • During the year, QPM established QPME which has a strategy of producing, processing and transporting waste mine gas in the Northern Bowen Basin (NBB) for the TECH Project and other gas consumers in Northern Australia. QPME intends to play a key role in the development of a commercial waste mine gas business in the NBB. • The TECH Project, at full production, will require between 11-14PJ of gas per annum, providing the baseline demand for QPME. QPME has been actively collaborating with regional mine operators to initiate waste gas collection projects. This encompasses both short-term opportunities for gas that is already being produced and flared as well as medium to long-term initiatives tied to pre-drainage programs in line with future mine development. This approach offers a dual benefit: it significantly reduces greenhouse gas emissions associated with metallurgical coal mining and secures a reliable gas supply. • QPME is confident that there are sufficient gas resources available to meet the TECH Project's needs while also having the capacity to supply other gas consumers. • [...]The Project will serve as a hub for capturing, processing and transporting this gas resource, leading to a material reduction in Australia’s carbon emissions. The project is intended to comprise of essential infrastructure for processing waste coal mine gas and connecting to the existing 39PJ per annum capacity North Queensland Gas Pipeline, enabling transportation to the TECH Project and other customers in the Townsville region. <p>Sustainability and Environmental Responsibility: (p.9)</p> <ul style="list-style-type: none"> • The TECH project will position itself as a leader in environmentally responsible nickel and cobalt production with negative carbon emissions, no tailing facility, and no process liquids discharge. • The TECH Project is estimated to have a negative carbon footprint of 989,213 tonnes of CO₂-equivalent emissions per year, which is approximately equivalent to the emissions generated by 215,000 typical passenger vehicles annually. • Furthermore, the TECH Project has achieved the remarkable milestone of generating zero solid waste. Through extensive test work demonstrating that the residues from the TECH Project can be repurposed as engineered fill, there is now potential to find economically viable applications for this waste stream.
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	<ul style="list-style-type: none"> The ability to utilise these residues as engineered fill ensures that 100% of the ore processed by the TECH Project contributes to a commercially valuable application. This accomplishment effectively positions the TECH Project as a zero solid waste operation.
<p>QPM ASX 2021 announcement “Clean and Green Nickel – Updated Life Cycle Assessment confirms TECH Project is Carbon Negative”</p>	<ul style="list-style-type: none"> ISO-compliant Life Cycle Assessment undertaken by Minviro highlights QPM's TECH Project as not only net zero carbon - but significantly net Carbon Negative Based on planned waste gas sourcing strategy, production from the TECH project will far exceed the best environmental alternative for any nickel production globally. For every tonne of nickel in nickel sulfate produced, the TECH Project REDUCES greenhouse gas emissions by 14.9 kg CO2 eq. /kg nickel in nickel sulfate. Annual reduction in Australia's greenhouse gas emissions as a result of the TECH Project is estimated at 238,000 tonnes CO2-equivalent, the equivalent of ~52,000 typical passenger vehicles. TECH Project will utilise waste mine gas from the Bowen Basin which would be either flared or directly emitted to the atmosphere as a fugitive emission of methane which has a Global Warming Potential factor of 25 times that of CO2. Dual benefits of capturing and consuming gas that would otherwise contribute significantly to Global Warming and manufacturing battery grade minerals to support the ongoing electrification of the automobile industry. The TECH Project has now established itself as a leader in sustainable nickel production with net negative carbon nickel production combined with minimal environmental footprint given no tailings dam or zero process liquids discharge. The LCA report adopts a “cradle-to-gate” approach on the TECH Project and is fully compliant with the ISO Life Cycle Analysis Standard, meaning that the assessment of carbon emissions starts from the point of natural resource extraction to the end-gate. The TECH project LCA also includes all greenhouse gas emissions associated with electricity, ore mining and transport to site, as well as the supply and consumption of all reagents and utilities for the site. Whilst there will be direct CO2 emissions and embodied CO2 impacts from the Project, this will be more than offset by the mitigated environmental impact from its gas sourcing strategy. (p.1) <p>QPM is delighted with the outcome of the report which calculates that the TECH Project will not just be net zero carbon but will actually reduce Australia’s carbon emissions by 14.9 kg CO2 equivalent for every kg of nickel in nickel sulfate. [...] QPM believes that the TECH Project boasts by far the best ESG credentials in the world for all nickel projects – existing and planned. Net negative carbon nickel production that will be achieved by repurposing a greenhouse-intensive waste gas for commercial use, rather than buying carbon credits in the open market or applying intercompany carbon credits; (p.2)</p> <p>QPM Managing Director Dr Stephen Grocott commented, “For 20 years I have been working on mineral projects that attempt to minimise greenhouse gas</p>

	<p>emissions. Never have I been able to work on one which can, not just reduce, but reverse emissions. Offtakers are demanding strong ESG credentials for battery metal production and QPM ticks all the boxes. The TECH Project will be a global leader in sustainability with net carbon negative nickel production, minimal waste and environmental footprint and developed world labour laws. Our goal is to ensure that when our customers are buying our products, they will know that they are the cleanest and most environmentally attractive in the world.” (p.3)</p>
<p>QPM ASX announcement, ‘MOU with Blue Energy for Supply of Pilot Gas’, 8 June 2023</p>	<p>MOU is consistent with QPME’s objective of achieving carbon abatement by collecting waste gas from the NBB that would have otherwise ended up in the atmosphere and diverting it to productive industrial use. (p.1)</p>