

21 November 2024

Verbrec Delivering on Strategy: Over \$25 million revenue expected from recent Gas Market Transition & Decarbonisation project awards

- Verbrec expects revenues from recent gas-market project awards and O&M contract extensions contained in this release to exceed \$25 million.
- This update includes several major project milestones, including production of first biogas facility in New Zealand, completion of major pipeline design phase and first injection at Australia's first large-scale onshore carbon capture and storage facility at Moomba.
- Verbrec delivering on its strategy, working with clients on their accelerating investments in the gas market transition (including use of gas as a firming fuel and renewable gas technologies) as Australia embraces the evolving energy landscape.

Verbrec Limited (ASX : VBC) (**Verbrec** or the **Company**) is a leading professional services provider that supports customers across Australia and the Pacific, enabling a sustainable future for our clients and their customers.

Verbrec has had continued success in securing important project in the Gas Market Transition sector, contributing to the security and reliability of energy for Australia and New Zealand.

Verbrec expects to generate over \$25 million in revenue from the recently awarded contracts described in this business update.

Verbrec's focus on securing economically attractive projects and growing healthy revenues is founded on the principle of partnering with relationship clients on their sustainability journeys.

Clients are increasing investment into the Gas Market Transition with the plan to pilot and commercialise renewable gas technologies and adapting traditional gas assets for firming of the grid, Verbrec is well positioned to continue to grow its revenue by collaborating with our relationship clients.

Verbrec has a substantial resume of projects and the in-house capability to partner with clients through the design phases, to construction, asset management and long-term operations and maintenance services.

Verbrec's Gas Market Transition Strategy

The sustainable focus areas Verbrec prioritises make up over 33% of Verbrec's revenues and include:

- Electrification & Energy Storage
- Gas Market Transition
- Sustainable Mining
- Water Security

This business update is focused on recent awards and project milestones related to Verbrec's **Gas Market Transition** strategy. Verbrec designs fit for purpose solutions for our client's existing assets to address gas as a firming fuel rather than a base load fuel, with current projects and prospects related to traditional gas assets, peaking facilities, carbon capture utilisation and storage and renewable gases (including bio-methane and hydrogen).

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Project Update – Gas Market Transition

Verbrec has had continued success in securing important project in the Gas Market Transition sector, a selection of examples of recent awards and significant project milestones are provided below.

Recently Awarded Contracts

Verbrec expects to generate over \$25 million in revenue from the recently awarded contracts described below:

Verbrec Secures 5-Year Extension for two key Pipeline Operation and Maintenance Contracts

Verbrec have recently been awarded a five-year extension to operate and maintain the Roma Gas Pipeline in Queensland and several pipelines located in the Bass and Otway basins in Victoria.

Verbrec operates over 2,000KM of gas pipelines across Australia.

The contracts contain a mix of fixed revenue specified services and additional services are commonly procured against a schedule of rates as reactive maintenance and upgrade opportunities arise.

These contract extensions reinforce Verbrec's commitment to providing reliable and sustainable long-term operations and maintenance services for its clients.

Verbrec secures long-term operations and maintenance contract for Cape Preston Gas Pipeline in Western Australia

In late 2024, Verbrec were awarded a multi-year operations and maintenance contract for the Cape Preston Gas Pipeline (CPGP) in Western Australia.

Our team is tasked with delivering comprehensive operation and maintenance services for the 14-kilometer CPGP, extending from the Dampier to Bunbury Natural Gas Pipeline (DBGP) tie-in to the Cape Preston Mine cogeneration plant. This vital pipeline powers the Cape Preston Mine and plays a crucial role for CITIC Pacific Mining.

This marks Verbrec's first multi-year operations and maintenance contract in Western Australia. Establishing a permanent presence in the region is a major milestone for Verbrec and opens up opportunities to expand our Operations & Maintenance business in the region.

Through this O&M contract, we will provide CITIC Pacific Mining with operational assurance and ensure pipeline integrity through continuous performance monitoring and Right of Way surveillance.

More information about the project can be found at the following links:

[Verbrec Secures Cape Preston Gas Pipeline O&M Contract](#)

Verbrec awarded engineering contract for Australia's largest onshore gas pipeline development

Verbrec's engineering team has been awarded the Front-End Engineering and Design (FEED) contract for a significant energy infrastructure project.

This award underscores Verbrec's excellence in engineering and strategic planning, building on the success of the previous pre-FEED phase.

The pipeline is poised to be a crucial asset in enhancing energy security for New South Wales. By improving the reliability of gas supply, this pipeline will contribute to stabilising and reducing gas and electricity prices for households, manufacturers, and businesses across the region.

Verbrec awarded concept select engineering contract for LNG Project in Papua New Guinea

In November 2024, Verbrec were awarded the contract to undertake a select phase study to investigate the viability of commercialising several major gas fields in Papua New Guinea.

The study involves the identification and selection of technologies and routes, including a blend of onshore and offshore / floating infrastructure for the processing of liquid natural gas.

This project is an important part of the client's commitment to building the nation of Papua New Guinea. Verbrec fully supports our client's mission to contribute to the development of Papua New Guinea and the empowerment of communities, local skill development and driving innovative energy initiatives.

If Verbrec successfully delivers the select phase, subject to commercial viability of the project, there is opportunities for Verbrec to participate in future phases of the project.

Significant Project Milestones

Australia's first large-scale onshore carbon capture and storage (CCS) at Moomba

The Moomba CCS Project, a joint venture between Santos and Beach Energy is one of the world's largest carbon capture and storage projects.

The Moomba CCS achieved first CO₂ injection in 2024 and is capable of safely storing up to 1.7 million tonnes per annum of carbon emissions in some of the depleted reservoirs near the Moomba Gas Plant.¹

First injection and full ramp up at the Moomba carbon capture and storage (CCS) project marks a major milestone for Australia's rollout of this crucial net zero technology.²

Verbrec completed a process safety and hazard report and facilitated various risk workshops for the project, known as a bowtie risk assessment.

Verbrec completes detailed design of Atlas to Reedy Creek Pipeline

Verbrec delivered the Detailed Design for the 56 km Atlas to Reedy Creek Pipeline and End of Line Facilities.

¹ [Moomba carbon capture & storage \(CCS\)](#)

² [Media Release: Net zero goals a step closer with Moomba CCS project milestone](#)

Our engineering services team provided comprehensive design solutions across process, mechanical, piping, civil/structural, electrical, and instrumentation disciplines. The project also involved critical facilitation and coordination of HAZOP, SMS, and 3D model/constructability reviews.

This pivotal infrastructure project enabled our client to receive low-pressure raw gas from gathering systems, compress and dry it, and then deliver it into the Atlas Reedy Creek (ARC) Pipeline. The ARC Pipeline subsequently transported sales gas to the high-pressure Roma to Brisbane pipeline, enhancing the East Coast gas supply.

Verbrec's involvement underscored our commitment to supporting domestic energy solutions and ensuring a secure and reliable gas supply for Australia's manufacturing sector.

First Renewables Biogas to Pipeline Upgrade Facility

On 6 November 2024, First Renewables (part of the Clarus group of companies) announced that the First Renewables Biogas to Pipeline Upgrade Facility at Ecogas' Organics processing facility in Reporoa, New Zealand is now in production. James Irvine (General Manager of Future Fuels at Clarus) hailed as a historic milestone for New Zealand's gas pipeline infrastructure.

Verbrec provided the front-end and detailed design engineering services for this landmark project which transforms kerbside waste into a valuable source of renewable gas, ultimately contributing to a reduction in reliance on fossil fuels and providing cleaner energy for New Zealand homes and businesses.

It is through a collaborative, relationship client approach that has enabled Verbrec to provide innovative engineering services to Clarus for over 15 years. Verbrec is tremendously proud of the part it has played in enabling the renewable gas flow at the First Renewables Biogas facility.

More information about the project can be found at the following links:

[Renewable Gas Flows in New Zealand Pipeline for the First Time](#)

[Verbrec awarded Broadlands Biogas upgrade design contract](#)

A note from the Chairman



Verbrec has a clear path to growth and sustainable profitability. Through disciplined execution of this strategy and a steadfast focus on sustainability, Verbrec is poised to achieve its vision of becoming the recognised partner for a sustainable future. We remain committed to strengthening our client relationships and exploring opportunities that align with our sustainability goals.

Philip Campbell

Non-Executive Chairman

The Critical Importance of Gas in the Evolving Energy Landscape

The importance of gas as part of the solution to Australia and New Zealand's future renewable energy driven economies cannot be understated.

It is becoming increasingly clear that gas will be an important component of the energy mix, albeit that the types of gas being utilised and the mode of delivery may differ from the traditional infrastructure we have now. This is why we refer to it as the Gas Market Transition.

Of our four sustainable focus areas, the Gas Market Transition is where we have noticed the most immediate traction and transformative projects are well underway. The investments that will flow into this area are burgeoning multi-Billions, and we're starting to see the shape of what's to come.

In the coming years, we expect that our client's existing assets will need to be modified and enhanced, to utilising gas as a firming fuel rather than a base-load fuel. As coal-fired power stations retire, renewable energy connected with transmission and distributions, firming with storage and backed up by gas-powered generation is the lowest-cost way to supply electricity to homes and businesses through Australia's transition to a net-zero economy.³

AEMO in its 2024 Integrated System Plan predicts that almost quadruple the firming capacity, including 15.0 GW will come from gas-powered generation (including potential hydrogen capacity). Much of the current 11.5 GW of traditional gas capacity will need to be retired and replaced in order to reach this predicted generation target.

Worldwide, low emission gases, including biomethane, hydrogen, ammonia and e-methane are vital to global decarbonisation efforts.

In the near term, to 2026, over half of the production growth of low-emission gases is predicted to come from biomethane, which can be injected directly into the gas network as a substitute for natural gas. According to the Australian Renewable Energy Agency (ARENA) biomethane production costs are currently more attractive than other renewable gas pathways, such as hydrogen. This makes biomethane a viable and attractive alternative to traditional gas sources in the short term.⁴ The global biomethane market-size predicted to exceed \$5.5 billion USD by 2031 (\$3.1 billion USD 2021).⁵

Australia has significant potential to use renewable energy to manufacture green hydrogen and there are many hydrogen projects at various stages of approval around Australia. AEMO predicts that by 2050 electricity consumption will more than double to almost 345 TWh compared to today's 145 TWh. At least 55TWh of that electricity consumption is expected to be consumed through industrial customers in the emerging hydrogen sector.¹

A note from the Chief Executive Officer



Our Gas Market Transition strategy is an important pillar to our continued growth and success, with many of our core relationship clients heavily invested in the energy sector, we see our role as an enabler of emerging technologies and a key partner in adapting traditional technologies to meet the needs of the evolving energy landscape.

Mark Read

Chief Executive Officer

³ [Australian Energy Market Operator \(AEMO\) 2024 Integrated System Plan](#)

⁴ [Department of Industry, Science and Resources – Future Gas Strategy Analytical Report](#)

⁵ [Allied Market Research article 'Biomethane Market Size Worth \\$5.5 Billion by 2031 | CAGR: 5.7%: AMR'](#)

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Authorised for release by the Board of Directors of Verbrec Limited.

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About Verbrec Limited

Verbrec Limited (ASX : VBC) (**Verbrec** or the **Company**) a leading engineering, asset management, project delivery, operations & maintenance, training and mining technology service provider that supports customers across Australia, New Zealand, Papua New Guinea and beyond. The Company serves the energy, infrastructure, and mining industries through their technical specialties; asset management, automation and control, pipelines, power, process plant and training, with capabilities that span across the entire life cycle of an asset. Verbrec is an Australian Securities Exchange listed company (ASX:VBC).

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