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**ASX Release**

**2 June 2026**

# Energy World Corporation to Sell its Siemens Gas and Steam Turbines for US$350 million

**Highlights:**

- **EWC has signed an agreement to sell its gas and steam turbines to Hallador Energy Company for US$350 million.**
- **Sale aligns with EWC's previously disclosed strategy to evaluate and execute alternative value realisation or monetisation opportunities across the Company's asset base.**
- **Focus will now turn to strategy around other assets i.e. the continued development of our Pagbilao LNG platform, and our assets in Indonesia and Australia.**

Energy World Corporation Limited (ASX: EWC) ("**EWC**" or the "**Company**" or "**Seller**") is pleased to announce that it has agreed to sell its Siemens gas and steam Turbines (together, the "**Turbines**") for US$350 million to NASDAQ-listed Hallador Energy Company (Nasdaq: HNRG) ("**Buyer**") (the "**Sale**").

The Sale represents execution of the Company's previously disclosed strategic review and evaluation of monetisation opportunities across its asset base.

Under the terms of the Sale, the gas turbines are required to be inspected and refurbished by in the United States by a recognised original equipment maintenance provider ("**OEM Service Provider**"). The OEM Service Provider has provided an initial estimate of the refurbishment costs based on the borescope inspection completed last year; however, these costs remain subject to adjustment following detailed inspection of the gas turbines upon arrival at the designated inspection facilities.

Dismantling and export costs will be for the Company's account but funded by the Buyer from the consideration. Transportation and importation costs will be borne by the Buyer in addition to the Purchase Price. Refurbishment costs will be shared between the parties as outlined herein.

The Company expects to receive milestone payments under the Sale as follows:

- Up to US$35 million to be deposited into escrow (or, at the Company's election, paid by the Buyer directly to suppliers) to facilitate the packing and loading of the Turbines.
- US$50 million to be deposited into escrow within five Business Days after the later of 31 August 2026 and Delivery of the gas turbines and paid to the Company on deposit of the endorsed bills of lading into escrow and when evidence of third-party payment has been supplied.

- US$265 million to be deposited into escrow on or before the later of (i) 30 September 2026, or (ii) the fifth Business Day after delivery of the gas turbines. These funds will be released to the Company as follows:
  - US$132.5 million upon receipt of the Conformity Assessment from the OEM Service Provider, subject to adjustment for Restoration Works cost-sharing arrangements.
  - The balance at Completion, which is subject to satisfaction of customary conditions, including completion of the Restoration Work by the OEM Service Provider.

**The OEM Service Provider Inspection and Refurbishment.**

Subject to changes arising from the complex logistical arrangements associated with relocation, the gas turbines are currently expected to reach the delivery point mid to late August and arrive at the OEM Service Provider's facilities in or around the end of September 2026.

The OEM Service Provider's Baseline Estimate of costs of works required is approximately US$22 million and they are expected to take circa 13 weeks to complete. Should the OEM Service Provider identify any additional work required to bring the inspected units into conformity with original operating specifications during the course of the refurbishment process, they will provide a Conformity Assessment setting out the scope and associated costs of such Additional Work.

Under the terms of the Sale, the Buyer has agreed to fund the Baseline Estimate (US$22 million). Additional Work costs of up to a further US$22 million will be shared equally between the Buyer and the Company. Any costs in excess of this amount will be borne by the Company, subject to an aggregate cap on the Company's refurbishment liability of US$315 million.

**Accounting and Tax Impact**

Based on preliminary assessments, the Company expects the Sale to result in:

- Gross proceeds of US$350 million;
- Estimated net proceeds of approximately US$331million, after transaction costs and assuming no material adjustment to Baseline Estimate of Restoration Costs; and
- A non-cash impairment to the carrying value of the Power Plant assets of approximately US$285 million.

The Sale is expected to be recognised as part of EWC's FY26 financial results. As the Power Plant and Turbines are closely linked from both an operational and accounting perspective, the Company expects that an impairment to the carrying value of the Power Plant assets will likely be required. The preliminary estimate above is based on the carrying value of the Power Plant assets as at 31 December 2025 of approximately US$617 million, less estimated net proceeds from the Sale.

The Company is continuing to assess the potential accounting implications for the associated LNG Hub assets, which had a carrying value of approximately US$131 million as at 31 December 2025. Given the expected impairment of the Power Plant assets referred to above, there is a possibility that the LNG Hub assets may also be impaired, noting that the historical basis for their carrying value has been linked to the Power Plant as a primary customer.

However, consistent with the Company's long-held strategy for the LNG Hub, management continues to progress plans to develop the terminal as a standalone third-party access enterprise. The Company is therefore continuing to assess the carrying value of these assets having regard to this strategy and associated commercial opportunities.



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Based on advice received to date, the Company does not currently expect the Sale to give rise to material income tax or capital gains tax liabilities in the relevant jurisdictions.

The financial impacts outlined above remain preliminary and are subject to completion of accounting, audit and taxation review processes.

A summary of material Sale terms is included in Annexure A.

EWC shareholder approval is not required in connection with the Sale under the ASX Listing Rules or otherwise.

In connection with the Sale, Jefferies Group LLC acted as principal financial adviser to the Company, Texas Capital Bank acted as co-adviser and K&L Gates acted as legal adviser.

Energy World Corporation Executive Chairman, Alan Jowell, said:

*"The Sale is an important transaction for EWC and demonstrates the Company's execution against a key element of its strategic review, namely the monetisation of selected assets to unlock value for shareholders.*

*"It follows our recognition that the Philippines power market continues to evolve. Increasing penetration of renewable generation is changing dispatch dynamics for thermal power assets, reducing both average WESM prices and expected operating hours. This, in turn, impacts potential revenues and asset values.*

*"At the same time, global demand for gas turbines has strengthened considerably, driven by rapid growth in electricity demand from AI, data centres and cloud infrastructure. Our turbines are unique in that they have never been fully installed, commissioned or fired and can be delivered within a relatively short timeframe, relative to widely reported lead times of five years or more for comparable new equipment from OEMs.*

*"This dynamic created an attractive opportunity to realise value through a competitive sale process, achieving a transaction value of almost four times the amount originally invested by the Company approximately ten years ago.*

*"Importantly, once completed, the Sale will introduce significant non-dilutive capital to the Company. These proceeds are expected to support the resolution of various legacy balance sheet matters and the continued advancement of EWC's broader LNG platform strategy, while also providing flexibility for the Company as it considers funding requirements and capital management initiatives.*

*"I would like to thank our advisers, staff and contractors who have worked swiftly and diligently to prepare for the relocation of the turbines to the United States. We look forward to updating shareholders as the Sale progresses and as the broader strategic review continues."*

Authorised for release by the Board of Energy World Corporation Ltd.

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## Annexure A – Summary of Material Transaction Terms

| Material Term | Summary |
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| **Parties** | Seller: Energy World Corporation Ltd (ACN 009 124 994), a company incorporated in Australia ("**Company**").<br><br>Buyer: Hallador Energy Company, a corporation organised under the laws of Colorado. |
| **Equipment** | Two Siemens SGT6-5000F gas turbine packages (the "**Gas Turbines**"), and one (1) SST6-5000 steam turbine package (the "**Steam Turbine**", and together with the gas turbines, the "**Equipment**"). |
| **Purchase Price** | US$350 million subject to any adjustments expressly provided for under the sale agreement referred to herein (the "**Agreement**"). Each payment is to be made in U.S. dollars. |
| **Payment Schedule** | The Purchase Price is payable into escrow in four scheduled deposits:<br>• **Payment 1:** US$20 million within one (1) Business Day following the Effective Date;<br>• **Payment 2:** US$15 million on or before 3 July 2026;<br>At the Company's election, any portion of Payments 1 and 2 may instead be paid directly by the Buyer to nominated third-party suppliers for supply related to the Delivery;<br>• **Payment 3:** US$50 million on or before the fifth (5th) Business Day following the later of: (i) 31 August 2026; and (ii) Delivery of the gas turbines; and<br>• **Payment 4:** US$265 million on or before the later of: (i) 30 September 2026; and (ii) the 5th Business Day following Delivery of the gas turbines. |
| **Releases from Escrow** | **Payments 1** and **2**, will be released to pay suppliers facilitating the Delivery and Packing of the Equipment. Funds remaining in escrow will be released to the Company together with Payment 3<br><br>**Payment 3** (US$50 million), will be released to the Company upon: (i) the Company depositing the endorsed bills of lading into escrow; and (ii) evidence of required third-party payments having been submitted.<br><br>**Payment 4** (US$265 million) is released in two tranches:<br>• US$132.5 million, less a Holdback Amount equal to the Company's share of Restoration Costs and any accrued Delay Liquidated Damages; paid upon delivery of the Conformity Assessment (which is by the OEM Service Provider); and<br>• the remaining balance upon Gas Turbine Completion, net of any Hold Back Amounts (if applicable). |

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| **Delivery, Risk of Loss and Title Transfer** | Delivery occurs on loading of the gas turbines on board the carrying vessel at the Port of Pagbilao, Philippines on FOB (Port of Pagbilao) Incoterms® 2020.<br><br>Risk of loss in the gas turbines passes to the Buyer on Delivery.<br><br>Title to the gas turbines passes from the Company to the Buyer upon release of the endorsed bills of lading from escrow to the Buyer, which occurs concurrently with the deposit of Payment 4 into escrow.<br><br>Title to the Steam Turbine passes upon delivery of a bill of sale, at a time determined by the Company in its sole and absolute discretion. |
| **Delivery Deadline and Delay Liquidated Damages** | The Gas Turbine Delivery Deadline is 31 August 2026, subject to extension for Excused Delays (such as Force Majeure and certain Buyer-caused delays).<br><br>If Delivery occurs after the Delivery Deadline, the Company is liable to pay Liquidated Damages of US$175,000 per day, capped at 5% of the Purchase Price in the aggregate (approximately US$17.5 million). If however, the OEM Service Provider can complete its works by 31 March 2027, then Liquidated Damages will be waived. |
| **Inspection and Refurbishment Cost Allocation** | Restoration Costs (the Baseline Estimate plus any Additional Work identified in a Conformity Assessment) are shared as described in the body of this announcement.<br><br>Costs attributable to damage arising after the bills of lading are deposited into escrow are borne solely by the Buyer (unless caused by the Company's fault). Enhancement Work (upgrades or life-extension work beyond refurbishment to original operating specifications) is at the Buyer's sole cost. |
| **Steam Turbine — Drop-Dead Date** | If Steam Turbine Completion has not occurred by the date four months after the Effective Date (extendable on a day-for-day basis for Force Majeure delays), the Company may terminate the Agreement solely with respect to the Steam Turbine. Any such termination does not affect the parties' rights and obligations with respect to the gas turbines. |
| **Seller Liability Cap** | Subject to customary carve-outs, the Company's aggregate liability under the Agreement is capped at 25% of the Purchase Price (approximately US$87.5 million). |
| **Default and Termination** | Payment defaults must be cured within five Business Days (fifteen days for Payment 4). Other material defaults have a 45-day cure period.<br><br>On uncured Buyer default, the Company's sole and exclusive remedies are to terminate the Agreement and (i) retain all amounts previously paid, (ii) release all escrowed funds and the endorsed bills of lading (if not yet released) to the Company, and (iii) resell the Equipment to third parties.<br><br>On uncured Seller default, the Buyer must elect (within 30 days) between two mutually exclusive remedies: (a) terminate and obtain a refund of all escrowed amounts (and other monetary damages, subject to the Seller Liability Cap), in the case of a Seller failure to deliver title free and clear or |

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| | a failure to deliver both gas turbines on or before the date the Liquidated Damages cap is reached; or (b) seek specific performance. |
| **Governing Law and Dispute Resolution** | The Agreement is governed by the laws of the State of New York (excluding conflicts of laws principles). |

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