stanwell

ENERGISING QUEENSLAND'S PROSPERITY

Annual Report • 2025/26

Acknowledgement

Stanwell acknowledges the traditions and cultures of Australian First Nations people.

CONTENTS

ABOUT STANWELL

Stanwell is a Queensland government-owned corporation operating in the energy sector, balancing today's energy needs with disciplined investment in Queensland's future energy portfolio.

We operate across three lines of business:

- **Supply electricity** – we own and operate generation and storage assets and negotiate power purchase agreements;
- **Trade electricity** – we trade in wholesale energy and related markets; and
- **Retail electricity** – we retail electricity to large commercial and industrial customers across the National Electricity Market.

Together, these lines of business enable us to support our shareholder's mission to deliver affordable, reliable and sustainable energy for Queensland.

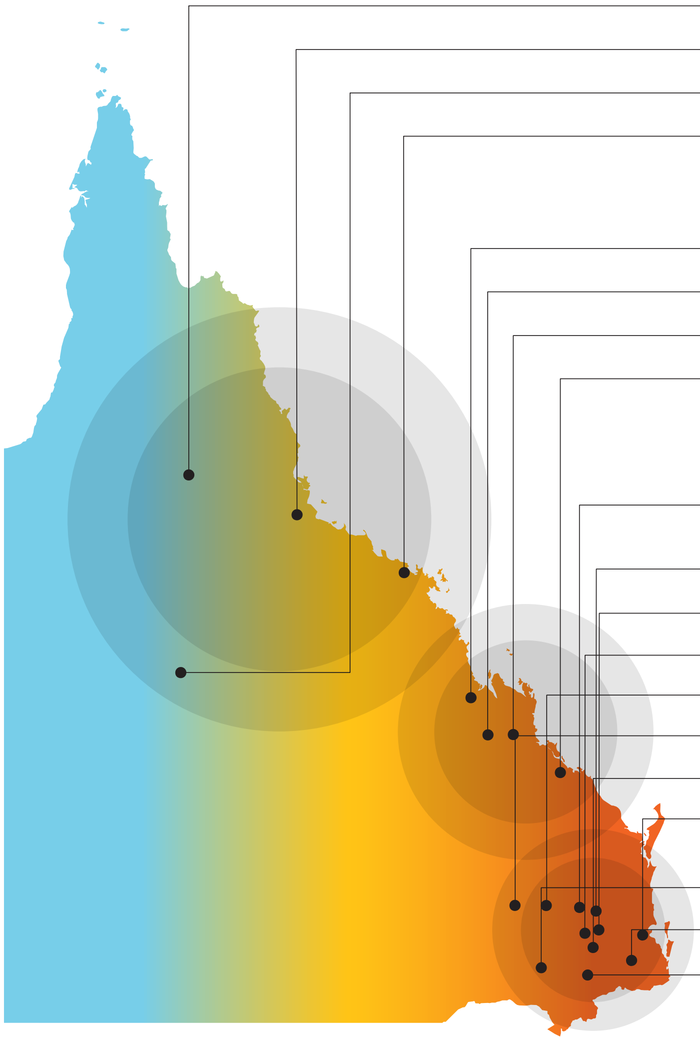
Our portfolio

Stanwell provides affordable and reliable power for Queensland and the National Electricity Market through our coal-fired power stations.

The Tarong and Stanwell power stations support system security and affordability, delivering approximately one-third of Queensland's energy needs. Stanwell proactively manages the operational life of our power stations and supports the sharing of asset management best practices across the sector.

The Queensland Energy Roadmap advises that new generation, storage and firming capacity is needed to meet rising energy demand. Stanwell is working with the private sector and Queensland Investment Corporation (QIC) to develop new energy projects. We are using a variety of commercial models to bring new generation and storage projects to market.

Stanwell is delivering affordable, reliable and sustainable energy through its energy portfolio.



Northern Queensland

PPA - Kidston Solar Project, Solar 150	50 MW
PPA - Gawara Baya Wind Farm[1]	244.8 MW
PPA - Longreach Solar Farm, Solar 150	17.5 MW
PPA - Whitsunday Solar Farm, Solar 150	58 MW

Central Queensland

PPA - Clarke Creek Wind Farm	346.5 MW
Stanwell Battery Energy Storage System	1,200 MWh
Stanwell Power Station	1,460 MW
PPA - Aldoga Solar Farm	387 MW

Southern Queensland

J/V - Wambo Wind Farm Stage 1 and 2[2]	252 MW / 254.2 MW
Meandu Mine	
Tarong Power stations	1,843 MW
Tarong Battery Energy Storage System	600 MWh
PPA - Tarong West Wind Farm[3]	436.5 MW
PPA - Blue Grass Solar Farm	49 MW
PPA - Oakey Solar Farm, Solar 150	25 MW
CPA - Supernode Battery Energy Storage System Stage 3[4]	1,010 MWh
PPA - Bulli Creek Solar Farm[5]	550 MW
Lockyer Energy Project[6]	120 MW
PPA - MacIntyre Wind Farm[5]	150 MW

Footnotes

1. Expected operation 2030.
2. Projects are in the final stages of construction and commissioning.
3. Stanwell has novated its right to acquire the project but has retained exclusivity to negotiate long-term offtake arrangements.
4. Under construction.
5. Stanwell is engaging with the developer regarding revised long-term offtake arrangements.
6. Under development.

Our enduring purpose - Energising Queensland's prosperity

Energising Queensland's prosperity reflects both the service Stanwell provides and the leadership role we play in the energy sector.

Stanwell is committed to delivering positive outcomes for Queensland, now and into the future.

We will continue to invest in our existing coal-fired assets, partner with the private sector to develop Queensland's future energy portfolio and share our asset management expertise across the sector.

By balancing affordability, reliability and sustainability, we contribute to Queensland's prosperity.

As of 30 June 2026, Stanwell employed more than 900 dedicated, innovative and resourceful people across our sites.

Our values

Stanwell's values – we care, we adapt and we deliver – are integral to our culture, and shape how we engage with customers, suppliers, partners, communities and each other.

Together, they guide how we think, make decisions and act. They are the driving force behind everything we do.

We **care** by

- Focusing on our health, safety and wellbeing
- Looking after each other, the environment and our communities
- Being inclusive and communicating openly
- Respecting and helping each other grow and succeed.

We **adapt** by

- Embracing change and new ideas
- Working together and sharing learnings
- Encouraging questions and different perspectives.

We **deliver** by

- Keeping our commitments and trusting each other
- Making responsible commercial decisions
- Owning our actions and outcomes.

Our strategy

In 2025/26, Stanwell refreshed our corporate strategy to respond to the challenges and opportunities ahead. Our strategy supports delivery of the Queensland Government's Energy Roadmap, released in October 2025.

At the centre of our strategy is a new purpose: *Energising Queensland's prosperity*.

As a Queensland government-owned corporation, we balance what Queenslanders need today with what the State will need in the future.

Delivering on that purpose means focusing on three strategic goals.

Reliable energy for today

- reliability and integrity of assets
- fiscally responsible
- energy that meets the needs of Queensland
- safe and engaged people
- social licence.

The energy portfolio **Queensland needs** for the future

- a portfolio that evolves to meet energy demand
- fiscally responsible
- energy that meets the needs of Queensland
- safe and engaged people
- social licence.

Outcomes for our **people and communities**

- safe and engaged people
- fiscally responsible
- energy that meets the needs of Queensland
- social licence.

Our 2025/26

PERFORMANCE HIGHLIGHTS

100 per cent of Electricity Maintenance Guarantee KPI categories achieved

across personal safety, process safety, operational performance and maintenance investment.

Zero actual serious injuries or fatalities,

continuing a safety record maintained since 2015.

Approximately one-third of Queensland's energy needs

delivered by our Tarong and Stanwell power stations – **15,375 GWh** energy sent out.

99.1 per cent reliability

across our thermal assets – our best result since the Stanwell and Tarong Energy merger in 2011.

$261.6 million invested in sustaining capital

this year to support safe and reliable operations.

4,000+ MW of renewable generation

and firming capacity under development, secured for the future or operating now through a mix of equity investments, power purchase agreements and joint ventures with the private sector.
This year's major progress included:

- **Stage one** of Wambo Wind Farm completed construction in June 2026, supporting a **500+ MW** wind project once fully operational.
- **244.8 MW** secured from Gawara Baya Wind Farm through two power purchase agreements with Windlab for Queensland's future energy supply.
- **735 MW** of new renewable generation commenced under power purchase agreements, with Aldoga Solar Farm and Clarke Creek Wind Farm reaching commercial operations.

99 per cent of our total procurement spend was with Australian entities,

with **$1.48 billion** (68 per cent) directed to Queensland-based entities.

2.8 GWh battery firming portfolio secured

across the Tarong BESS, Stanwell BESS and the Supernode BESS in Queensland.

- **300 MW / 600 MWh** Tarong BESS achieved commercial operations – Stanwell's first dispatchable storage asset.
- **300 MW / 1,200 MWh** Stanwell BESS is under construction at Stanwell Power Station, on track to be the largest BESS in Queensland.
- **250 MW / 1,010 MWh** Supernode – Stage 3 commenced construction, with Stanwell holding a capacity purchase agreement with Quinbrook.

Three major milestones

achieved for our Meandu Mine, which provides coal to the Tarong power stations:

- **Secured Commonwealth approval** for the King 2 East extension project.
- **Secured a 21-year renewal** of the mine's lease from the Queensland Government.
- **Rehabilitated more than 45 hectares of land**, taking the total land rehabilitated since the 1980s to 779.6 hectares.

$818,942 provided

to more than 90 local community groups and events across our regions.

Our future energy and firming pipeline strengthened

through execution, progression of the Lockyer Energy Project, and two agreements with Quinbrook Infrastructure Investments to investigate long-duration battery and gas firming opportunities.

We continued to support early career development,

with 41 apprentices, nine trainees and 11 graduates in our workforce as of 30 June 2026.

CHAIR AND CEO STATEMENT

> 'Stanwell exists to energise Queensland's prosperity. This purpose reflects the role we play and the responsibility we carry as Queensland's energy market continues to evolve.'

Our purpose and strategy in a shifting market

For more than 40 years, Stanwell has delivered value to Queenslanders across a range of market conditions.

That performance has been built on decades of engineering excellence and rigorous asset maintenance. Our Tarong and Stanwell power stations remain among the most reliable in the National Electricity Market, delivering around one-third of Queensland's energy demand.

We have also maintained strong fiscal discipline while investing in major maintenance and new projects, supported by robust business cases.

The energy market is changing rapidly.

As renewable and battery generation grows, periods of oversupply are putting downward pressure on prices – which is positive for Queenslanders.

In this changing market, Stanwell remains focused on delivering affordable, reliable and sustainable energy, both now and into the future.

The combination of reliable thermal generation, disciplined investment and private sector partnerships position us well to manage changing market conditions.

In 2025/26, we refreshed our Corporate Strategy to respond to the challenges and opportunities ahead. Our strategy supports delivery of the Queensland Government's Energy Roadmap, released in October 2025.

At the centre of our strategy is a new purpose: *Energising Queensland's prosperity.*

As a Queensland Government-owned corporation, we must balance what Queenslanders need today with what the State will need in the future.

Delivering on that purpose means focusing on three clear goals:

- reliable energy for today
- the energy portfolio Queensland needs for the future and
- outcomes for our people and communities.

Our financial and operational performance is delivering value for Queensland

Stanwell continues to play a critical role in maintaining system reliability and stability.

This year's performance was achieved against a backdrop of global geopolitical uncertainty, particularly in fuel supply chains. We responded through stronger procurement, active monitoring and contingency planning, ensuring we remain well placed to manage emerging risks and support the State's energy system.

In 2025/26, we sent out 15,375 GWh of energy and achieved 99.1 per cent reliability across our generation portfolio.

99.1%

reliability across our generation portfolio.

We maintained our commitments under the Electricity Maintenance Guarantee (EMG), achieving all our 2025/26 EMG key performance indicators (KPIs) across personal safety, process safety, operational performance and maintenance investment.

Our strong operational performance was supported by continued sustaining capital investment in asset maintenance of $261.6 million in 2025/26 (2024/25: $253.6 million), including major overhauls of Tarong North Power Station, Tarong Power Station Unit 1 and the Meandu Mine dragline.

In 2026/27, we have further major overhaul maintenance work planned for Stanwell Power Station Unit 3 and Tarong Power Station Unit 3.

As a prudent commercial operator, we make disciplined financial decisions to support the long-term viability of the business and deliver sustainable, appropriate, risk-adjusted returns for Queenslanders.

In 2025/26, our operating profit was $300.0 million, representing a 27 per cent improvement on last year (2024/25: $235.3 million). After statutory accounting adjustments, we recorded a net loss after tax of $414.7 million (2024/25: net profit after tax of $429.2 million).

These adjustments reflect changes in the value of Stanwell's assets and projects.

Despite these accounting adjustments, our performance remains strong, underpinned by continued growth in operating profit over the past five years.

Stanwell has been a strong contributor to the State's dividends from electricity generation in recent years. Over the past five years, we have paid $1.038 billion in dividends to our shareholding Ministers' and we have reinvested more than $460.0 million of retained profits in batteries at our power station sites.

Over the next five years, continued oversupply from renewable energy and batteries is forecast to place downward pressure on electricity prices, with Stanwell expecting lower dividends as a result.

With a strong foundation and a disciplined approach to delivery, Stanwell is well placed to respond to changing market conditions and continue supporting reliable, affordable and sustainable energy outcomes for Queensland.

This year's Annual Report also includes Stanwell's first climate-related financial disclosures, strengthening transparency and governance of our climate-related risks and opportunities.

Our private sector partnerships are building the energy Queensland needs for the future

Our purpose - energising Queensland's prosperity - means we are also looking to ensure Queensland's long-term energy generation requirements are met.

Developing new generation takes time, and continued partnership with the private sector is essential to building the energy portfolio Queensland needs.

Stanwell is working with the QIC through the Investor Gateway to assess new energy project and contracting opportunities, aligning investor interest with our portfolio needs and market demand.

As of August 2026, Stanwell was the largest purchaser of wind and solar power in Australia.[1] We are able to aggregate that energy with our broader portfolio and sell contracts though to our commercial and industrial customers.

We continue to work constructively with government, regulators, industry and the private sector to deliver outcomes aligned with Queensland's energy direction.

1. Rystad Energy research, released August 2026

In support of the Queensland Energy Roadmap and disciplined investment, in 2025/26 we progressed:

- **Tarong Battery** – the 300 MW / two-hour Tarong Battery achieved commercial operations in February 2026, becoming Stanwell's first wholly owned and operated storage asset and providing firming capacity to the grid.
- **Stanwell Battery** – construction of the 300 MW / four-hour Stanwell Battery is underway, with operations expected in the first half of 2027.
- **Wambo Wind Farm** – Stanwell and Cubico completed construction of stage one in June 2026, with stage two expected to reach commercial operations in 2026/27.
- **Clarke Creek Wind Farm** – Stanwell began offtaking more than 75 per cent of stage one (346.5 MW) generation under a 15-year power purchase agreement after the project reached commercial operations in late 2025.
- **Aldoga Solar Farm** – Stanwell began offtaking 387 MW from Aldoga Solar Farm, near Gladstone, after the site achieved commercial operations in December 2025.
- **Gawara Baya Wind Farm** – Stanwell executed two power purchase agreements with Windlab for a combined output of 244.8 MW from the 408 MW project.

Our people and communities are central to the way we work

Energising Queensland's prosperity requires strong partnerships and a capable workforce.

We continue to invest in our people by building capability, supporting leadership and equipping our workforce to deliver on our refreshed strategy.

In 2025/26, we continued to implement our key capability framework, which defines the capabilities needed to realise our competitive position and deliver on our strategy.

Safety underpins everything we do. This year, we continued to embed our health and safety vision: *Safe Today. Better Tomorrow.*

We maintained a strong focus on critical controls, process safety, leadership accountability and continuous improvement, recognising that safe and reliable operations depend on both effective systems and behaviours.

In 2025/26, we recorded zero actual serious injury or fatality events across our sites, continuing a strong safety record underpinned by effective critical controls and leadership accountability.

We continued our engagement with host communities, landholders and Traditional Owners. Our approach is grounded in respect, transparency and a commitment to delivering long-term social and economic benefits in the regions where we operate.

$818,942

delivered in social investment to support local communities.

In 2025/26, we delivered $818,942 in social investment to support more than 90 local groups and causes that matter to those communities.

Acknowledgements

We thank our shareholding Ministers, the Honourable David Janetzki MP, Treasurer, Minister for Energy and Minister for Home Ownership, and the Honourable Rosslyn (Ros) Bates MP, Minister for Finance, Trade, Employment and Training, for their continued support and engagement.

We acknowledge Glenn Smith, former Executive General Manager Business Services, and Company Secretary Karen Buckley, who retired in March 2026, along with the directors who left the Stanwell Board during the year. We thank them for their contribution. It is appreciated.

Our achievements reflect the dedication and professionalism of our people. Their focus on safety, reliability, productivity and prudence is the foundation of our success.

With a refreshed strategy, a strong foundation and an exceptional team, we are well placed to meet the challenges and opportunities ahead.

In 2026/27, we will remain focused on disciplined delivery, strong governance and partnering with the private sector to create enduring value for Queensland.

Michael O'Rourke
Chief Executive Officer

Justin Parer
Independent Non-executive Chair and Director

OUR 2025/26 PERFORMANCE

Performance indicators

In 2025/26, Stanwell committed to the following financial and non-financial targets:

Shareholder return measures

Indicator	**2025/26 actual**	**2024/25 actual**
Distribution yield (%)	N/A*	48.7
Distribution cash coverage (times)	N/A*	1.2
Funds from operations on net debt (%)	25.3	74.7
Return on assets ex. WIP (%)	-20.2	33.5

* No shareholder distribution for 2025/26.

Financial performance measures

Corporate measures	**2025/26 actual**	**2024/25 actual**
Operating profit ($M)	300.0	235.3
EBIT ($M)	-575.1	623.1
Net profit after tax ($M)	-414.7	429.2
Total debt to total capital (%)	49.1	33.7
EBITDA debt service coverage (times)	5.0	3.9

In 2025/26, the Group recorded a number of significant non-cash accounting adjustments relating to changes in the value of Stanwell's assets and projects.

Despite these accounting adjustments, our performance remains strong, underpinned by continued growth in operating profit over the past five years.

Other non-financial performance measures

Non-financial measures	2025/26 actual	2025/26 target	2024/25 actual
Total recordable injury frequency rate (TRIFR)	4.31	< 3.49	5.20
Lost time injury frequency rate (LTIFR)	1.81	< 0.29	1.82
Environmental enforcement actions	0.0	0.0	0.0
Forced outage factor	0.9%	≤5%	1.7%

*Stanwell's 2025/26 TRIFR and LTIFR targets represent Stanwell's historical best result.

Asset performance (thermal generation only)

Generation site	Energy sent out (GWh)*	
	2025/26	2024/25
Tarong power stations – 1,843 MW (coal)	8,818	9,893
Stanwell Power Station – 1,460 MW (coal)	6,557	7,203
Total	**15,375**	**17,096**

*Energy sent out is the amount of energy supplied to the transmission network.

Electricity Maintenance Guarantee

Stanwell reports against the following EMG KPIs, providing assurance to the Queensland Government on asset maintenance across publicly owned electricity generation assets.

Stanwell has successfully achieved all 2025/26 KPIs across the four categories of personal safety, process safety, operational performance and maintenance investment. This included completing 5,159 statutory compliance and safety-critical work orders and our two major planned overhauls.

Our 12-month moving average forced outage factor of less than two per cent, and summer availability of 92 per cent from December to March, reflect the consistent performance on which the market relies.

The Stanwell Board has a policy of no performance payments for the Chief Executive and executives if the full-year EMG KPIs are not achieved.

Category	KPI	2025/26 actuals	2025/26 target	2024/25 actual
Personal safety	Critical control verifications (leading)	536	144	1,137
	Values interactions (leading)	7,581	5,580	8,517
	Actual serious injury or fatality (SIF) (lagging)	0	0	0
	Serious environmental events (impact level 4 or 5) (lagging)	0	0	0
Process safety	Critical element verifications (CEV)	100%	100%	100%
	Extended process safety event	0	0	n/a
Operational performance	12 month moving average (MMA) of forced outage factor	0.92%	≤ 5%	1.72%
	Summer availability	92%	≥ 90% availability (Dec to Mar)	96%
Maintenance investment	Statutory maintenance completed	Compliant	Compliant	Compliant
	Priority 1 work management	100%	100% resolved	100%
	Priority capital projects delivered (schedule and budget)	100%	100% complete	100%

CORPORATE GOVERNANCE

KEY AREAS OF GOVERNANCE FOCUS AND ACHIEVEMENT IN 2025/26

The Board, with assistance from its committees, engaged in key strategic governance and oversight activities in 2025/26 including:

- Conducting a Board strategy workshop focused on the long-term success of the company.
- Regularly discussing the risks and opportunities arising from the significant structural changes occurring within the National Electricity Market and the business impact on, and involvement of Stanwell.
- Considering emerging technologies and how Stanwell could respond to threats and capitalise on opportunities.
- Regularly discussing Stanwell's strategic goals, including the refinement and implementation of each priority with the Chief Executive Officer (CEO).
- Reviewing and approving Stanwell's financial and strategic plans.
- Considering the Board's collective capabilities against desired skills and cultural attributes. This allows the Board to identify skills gaps and professional development opportunities for directors, thereby ensuring that the Board has the skills, appropriate knowledge, and experience required to effectively lead and govern Stanwell in response to changes in its external business environment.
- Setting the tone from the top, and influencing Stanwell's culture, values and ethical standards. This includes the Board satisfying itself that the desired culture is being lived in practice and is reflective of the behaviours associated with Stanwell's values, and having oversight of Stanwell's employee engagement, and equity, diversity and inclusion strategies and plans.
- Monitoring Stanwell's compliance with its *Security of Critical Infrastructure Act 2018* obligations and the adequacy and effectiveness of its Critical Infrastructure Risk Management Program.
- Reviewing Stanwell's governance processes for the preparation of the financial statements.
- Participating in the detailed examinations of Stanwell's key strategic risks.

Approach to corporate governance

Stanwell defines governance as *'the system by which the Corporation is directed, managed and held to account'*. It incorporates culture, structure and processes for decision-making, accountability, control and behaviour. It also provides the framework within which the Board is accountable to shareholding Ministers for:

- the successful operation of Stanwell
- the establishment and agreement of Stanwell's strategies and goals

- the identification and management of key risks
- the promotion, through a fair and just culture, of ethical values and behaviours and responsible decision-making.

Stanwell's Board, with the support of its Board committees, is responsible for the oversight of Stanwell's governance framework. The framework seeks to support effective and responsible decision-making to assist the delivery of Stanwell's strategic goals.

This report outlines the key areas of the framework, which includes:

- An experienced and independent Board, supported by a Board committee structure which is regularly reviewed to ensure it continues to operate effectively and add value.
- Clear delineation of the respective roles of the Board and senior management.
- A risk management framework which is regularly reviewed.

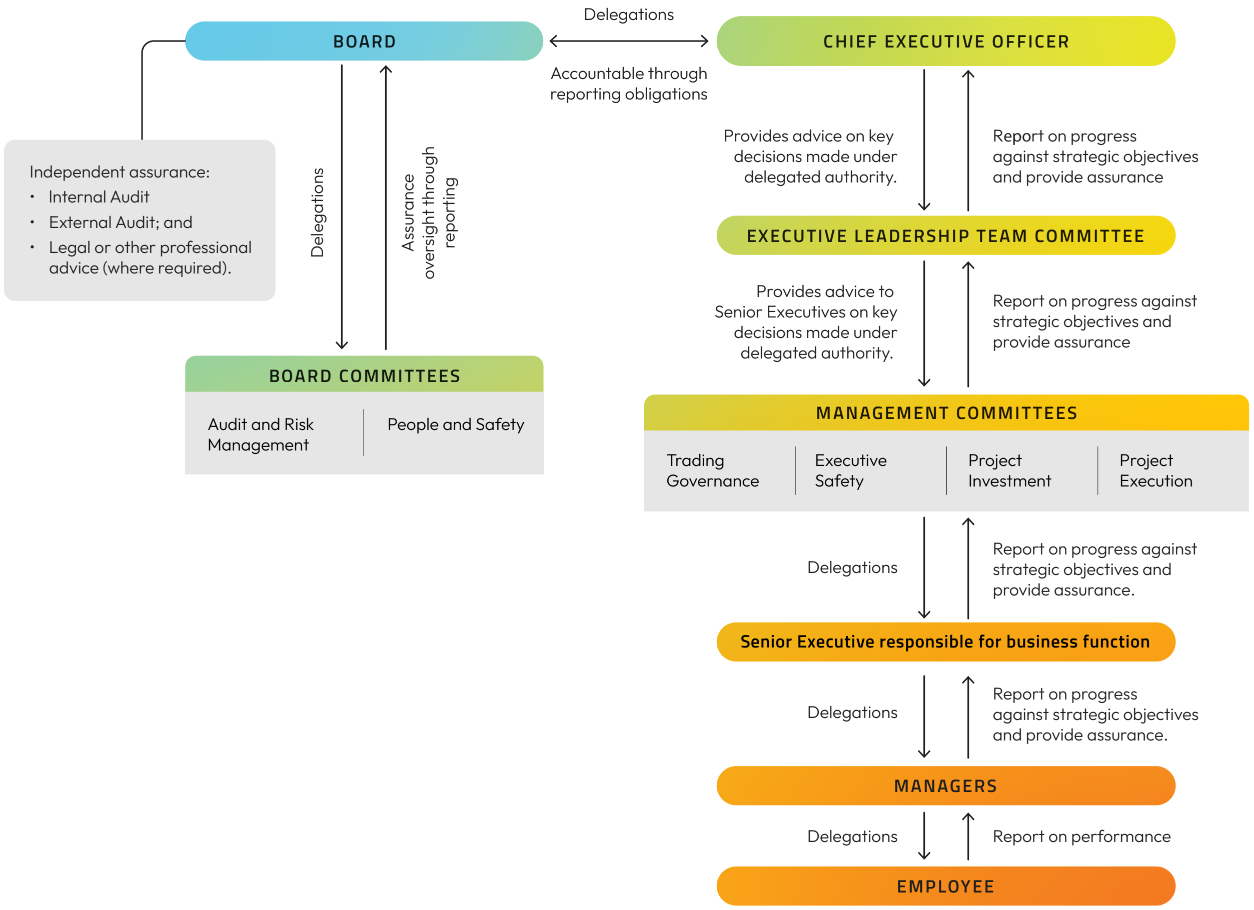
The diagram below shows Stanwell's current governance framework, including the committees of the Board.

Stanwell also has several formally established management committees, which support the CEO in implementing Board approved strategies and policies, managing risks across the organisation and exercising decision-making within defined authorities.

Further information on Stanwell's corporate governance practices, including key policies and copies of the Board and Board Committee Charters, are available on the Stanwell website: www.stanwell.com.

This Corporate Governance Statement sets out how Stanwell adopts each of the principles outlined in the Corporate Governance Guidelines for Government Owned Corporations.

Stanwell's governance framework



Principle one
Foundations of management and oversight

Role and function of the Board

The Board's primary function is to ensure that Stanwell and its controlled entities have an appropriate corporate governance structure which creates and protects shareholder value. The Board derives its authority to act from Stanwell's Constitution.

The Board's responsibilities are set out in a formal charter, which the Board reviews annually.

These responsibilities include, but are not limited to:

- Monitor the progress of Stanwell's commitment to the elimination of work-related injuries and occupational illnesses.
- Review and approve the corporate strategy and financial plans.
- Oversee and monitor organisational performance and the achievement of Stanwell's strategic goals and objectives.
- Ensure the adequacy and effectiveness of key aspects of Stanwell's financial management, reporting and accounting practices.
- Oversee the review and update of corporate governance arrangements and processes as necessary to support Stanwell's commitment to best practice corporate governance.
- Monitor and influence Stanwell's culture, values, reputation and ethical standards.
- Appoint and assess the performance of the CEO and senior executives.
- Approve, review and oversee systems of risk management, internal control and regulatory compliance.
- Report to and communicate with Stanwell's shareholding Ministers and other stakeholders.

Delegation of authority

Stanwell's Constitution allows the Board to delegate any of their powers as Directors (as permitted by the *Corporations Act 2001 (Cth)* and the *Government Owned Corporations Act 1993 (Qld)*), including delegation to a committee of Directors or any other person on the terms, and subject to any restrictions, that the Board may decide.

The delegation of the Board's specific standing powers and limits of authority are documented in the Board Delegations of Authority Policy, the Audit and Risk Management Committee Charter, and the People and Safety Committee Charter.

The general approach adopted by the Board to the delegation of its powers and authorities is that:

- Decisions related to specific matters are reserved for the Board.
- Certain powers and limits of authority are delegated to specific persons.
- Subject to the above, the Board delegates its power and authority to manage and supervise the management of the day-to-day operations of Stanwell to the CEO and, through the CEO, to other senior executives and employees.

The principles by which the CEO sub-delegates the power and authority vested by the Board are documented in the Stanwell CEO Manual of Authorities.

These principles govern decision-making and ensure that Stanwell's financial transactions are executed within the scope of delegated authorities, and balance effective oversight by the Board with appropriate empowerment and accountability of Stanwell's senior executives and employees.

Committees of the Board

The Board has established two committees: the People and Safety Committee and the Audit and Risk Management Committee. These committees assist in the execution of the Board's role, and allow detailed consideration of complex issues.

Committee members are chosen for their skills and experience.

The roles, responsibilities and delegated authorities of each committee are set out in their respective committee charters. Each year, the charters are reviewed and, where necessary, updated to take account of changes and other developments in the committees' areas of responsibility.

Each committee meets several times a year, depending on committee workload requirements. The role and membership of each committee are described in more detail below.

People and Safety Committee

As of 30 June 2026, the People and Safety Committee comprised the following directors:

- Howard Morrison (Chair)
- Rachel Condos-Fields
- Kirsty Chessher-Brown
- Justin Parer.

Other directors who are not members of the committee and senior executives attend meetings by invitation.

The committee's primary function is to assist the Board to oversee the development and monitoring of policies and practices which relate to:

- health, wellbeing and safety of Stanwell's employees, contractors and visitors
- the Board's performance of its governance of Stanwell
- the work environment, employee relations and cultural strategies
- relationships with stakeholders and social performance.

Audit and Risk Management Committee

As of 30 June 2026, the Audit and Risk Management Committee comprised the following directors:

- Laurie Lefcourt (Chair)
- Michael Anastas
- Rachael Cronin
- Justin Parer.

The committee's primary function is to assist the Board to:

- review and monitor Stanwell's financial management and reporting processes
- review and oversee systems for risk management, internal control and legal compliance
- oversee the process for identifying and managing material business risks
- oversee the process for implementing appropriate and adequate control, monitoring and reporting mechanisms
- review the performance of the internal and external audit functions (to the extent relevant)
- monitor and assess new technologies, and systems of cyber security, data governance and model integrity.

Executive remuneration and performance review

Each year, the Board, with the assistance of the People and Safety Committee, undertakes a formal process of reviewing the performance of the CEO and senior executives.

The rate of remuneration increases for the CEO and senior executives is determined with regard to market salary movements and individual performance.

At-risk performance incentive payments for the CEO and senior executives are capped at 10 per cent of total fixed remuneration, with the amount payable subject to a gateway linked to the achievement of all EMG KPIs and pre-determined Board-approved organisation wide, business division and individual performance targets.

Further details about the CEO and senior executive remuneration are disclosed in the key management personnel note on page 124.

Principle two
Structure the Board to add value

As of 30 June 2026, the Board consisted of six independent, non-executive directors and an independent non-executive Chair.

The names, qualifications and relevant skills, experience and expertise of the directors who held office during the financial year and up to the date of this report, along with their terms of appointment, are set out on pages 62 to 65.

The Board considers that, individually and collectively, the directors bring a level of skill, knowledge and experience that enables the Board to discharge its role and responsibilities effectively.

Directors are appointed by the Governor-in-Council. Appointments are for a specific period. The Board held nine meetings between 1 July 2025 and 30 June 2026.

The table on page 66 of this report details the number of Board and Board committee meetings held during the year that each director was eligible to attend, and the number of meetings attended by each director.

Director induction and continuing education

Stanwell has a comprehensive director induction program in place, which includes the provision of key corporate documents, facilitation of site visits, and meetings with senior executives.

The induction program is modified as required to ensure that it is appropriate for the new director's qualifications and experience. Stanwell provides continuing education to the Board through a combination of internal and external briefings, workshops with management, and site visits.

These educational activities assist directors to gain a broader understanding of Stanwell's business.

Directors are also encouraged to keep up to date on topical issues and to participate in professional and self-development activities. Activities undertaken by directors that assist their responsibilities to Stanwell are paid for by Stanwell.

Director independence

The Board has considered the associations of each of the directors and is of the view that all directors are independent. The basis for this decision is that all directors are independent of management or any material business or other interest that could interfere with:

- the exercise of objective, unfettered or independent judgement
- the director acting in the best interests of Stanwell.

The materiality of any relationship between a director and Stanwell, or any other interest which may impact a director's independence, will be judged according to the significance of the relationship to the director in the context of their activities as a whole. The Board applies a conservative assessment of the significance of any relationship when determining materiality.

Access to independent professional advice

Directors are entitled to seek independent professional advice at Stanwell's expense. The process for obtaining such advice requires the relevant director to consult with the Chair, or the Company Secretary where the Chair is conflicted, to facilitate the advice.

The Board can conduct or direct any investigation to fulfill its responsibilities and can retain, at the Corporation's expense, any legal, accounting, or other services it considers necessary to perform its duties.

Access to management

Each director has access to the CEO if they require additional information. Each director is encouraged to contact the Chair, CEO or Company Secretary prior to a Board meeting to discuss any matters that require clarification.

Board evaluation, director succession planning and professional development

The Board evaluates its performance, the performance of individual directors, the Chair and the Board committees at regular periods. The People and Safety Committee is responsible for assessing the framework and the processes used for conducting the performance evaluations.

As part of the Board's commitment to continuously improving its governance practices, the last agenda item of every Board meeting is a critique of the Board's performance.

Principle three
Promote ethical and responsible decision-making

Stanwell's core values of *We care, We adapt* and *We deliver* are integral to Stanwell's culture, and influence the way we engage with our customers, suppliers, partners and our local communities, as well as each other.

Our values provide the foundation of *The Way We Work at Stanwell – Code of Conduct*.

The Code of Conduct applies to our directors, employees and contractors (our people), and promotes ethical and responsible decision-making and high standards of integrity, fairness and equity in all aspects of employment with Stanwell.

In applying the Code of Conduct, our people are expected to:

- Demonstrate our values of We care, We adapt and We deliver through their behaviours.
- Set an example for and recognise others who also demonstrate these behaviours.
- Act in accordance with our guiding principles.
- Speak up when they believe The Way We Work at Stanwell is being compromised.

The guiding principles underlying the Code of Conduct are:

- We contribute to a safe and healthy work environment, which safeguards our environmental and social right to operate.
- We act ethically at all times.
- We treat others with fairness and respect, and value equity, diversity and inclusion.
- We identify conflicts of interest and manage them responsibly.
- We respect and maintain privacy and confidentiality.
- We comply with this code, the law, Stanwell's contractual commitments, and Stanwell's policies and procedures.

The Code of Conduct is supported by the following detailed policies that together, form the Stanwell Code of Conduct Policy Framework:

- Board Delegations of Authority Policy
- CEO Manual of Authorities
- Confidential Information Policy
- Conflicts of Interest Policy
- Respectful Workplace Policy
- Equity, Diversity and Inclusion Policy
- Fraud and Corruption Prevention Policy
- Gifts and Benefits Policy
- Health, Safety and Environment Policy
- Information Systems Usage Policy
- Compliance and Regulatory Management Policy
- Modern Slavery Policy
- Privacy Policy
- Trading in Securities Policy
- Whistleblower Protection Policy.

When commencing work with Stanwell, and thereafter on a biennial basis, our people are required to complete a training course that takes them through the six guiding principles of the Code of Conduct and a summary of their obligations under each of the policies in the Code of Conduct Policy Framework.

Whistleblower Protection Policy

Stanwell's Whistleblower Protection Policy is designed to encourage employees, contractors, service providers (such as consultants) and suppliers to raise concerns about activities or behaviour that may be unlawful or unethical.

The policy formalises Stanwell's commitment to protecting the confidentiality, dignity and career of anyone who raises serious concerns that affect the integrity of Stanwell.

Stanwell investigates reported concerns in a manner that is confidential, fair and objective. If the investigation shows that wrongdoing has occurred, Stanwell is committed to taking action against those parties who have not met its standards of behaviour.

The Board through the Audit and Risk Management Committee monitors the progress of all investigations into concerns raised by whistleblowers.

Avoidance of conflicts of interest

The Board is conscious of its obligation to ensure that directors avoid conflicts of interest (that is, actual, potential or perceived conflicts of interest) between their duties as directors of Stanwell and their other interests and duties.

Each director is required to provide written disclosure on appointment of any business or other relationship that he or she has directly, or as a partner, shareholder or officer of a company or other entity that has an interest in Stanwell or another related entity. At least annually, or when relevant changes occur, directors are required to update these disclosures. The Company Secretary ensures that copies of all disclosures, including updated disclosures, are provided to each director.

Any director with a conflict of interest in a matter being considered by the Board must declare their interest and, unless the Board resolves otherwise, they may not participate in boardroom discussions or vote on matters in respect of which they have a conflict.

Equity, diversity and inclusion

Stanwell believes in the inherent strength of a vibrant, diverse and inclusive workforce in which the backgrounds, perspectives and life experiences of its people help Stanwell to forge stronger connections with its stakeholders and make better decisions for its business.

For Stanwell, equity, diversity and inclusion encompasses both the visible and invisible differences that make its people unique, including gender, gender identity, age, ethnicity, accessibility requirements, cultural background, sexual orientation, religious beliefs, experiences, insights and perspectives.

Trading in securities

The *Trading in Securities Policy* deals with the manner in which Stanwell's directors and employees can trade in securities. This policy is specifically designed to raise awareness of the prohibitions on insider trading contained within the *Corporations Act 2001 (Cth)*, to ensure Stanwell personnel understand these requirements and the restrictions on trading while in possession of price-sensitive information.

Principle four
Safeguard integrity in financial reporting

The Audit and Risk Management Committee assists the Board in overseeing the reliability and integrity of financial reporting practices, accounting policies, auditing and external reporting.

The Committee provides advice to the Board on Stanwell's financial statements, financial systems integrity and material risks. It also oversees compliance with applicable laws, regulations and corporate policies.

The internal audit function is established by the Stanwell Board and its responsibilities are defined by the Audit and Risk Management Committee.

The Audit and Risk Management Committee is responsible for assessing whether the internal audit function is independent of management and is adequately resourced and funded.

The overall objective of Stanwell's internal audit function is to assist the Stanwell Board and all levels of management to discharge their responsibilities in maintaining Stanwell as a well-controlled, economic, efficient and effective organisation that complies with its statutory obligations.

The Internal Audit Charter defines the internal audit function. Reviewed annually by the Audit and Risk Management Committee, it outlines the purpose, role, authority, responsibilities, scope, and operational framework of the internal audit team.

Each year, the Audit and Risk Management Committee assesses the performance, objectivity, effectiveness, and independence of the internal audit function, ensuring alignment with Stanwell's strategic goals and its role in governance and risk management. For the 2025/26 financial year, a self-assessment was conducted by the Company Secretary and Group Manager Internal Audit, with results presented to the committee for discussion.

Authority has been granted to the internal audit function for full, free and unrestricted access to any and all of Stanwell's records, physical properties and personnel relevant to any function under review.

The Group Manager Internal Audit reports functionally to the Audit and Risk Management Committee and administratively to the CEO.

Following the conclusion of audits, the Group Manager Internal Audit prepares and issues to management a formal Internal Audit Report of findings and recommendations.

A summary of the final report, together with management's agreed actions and implementation dates, is presented to the Audit and Risk Management Committee for consideration.

The Group Manager Internal Audit monitors the implementation of audit recommendations and maintains the Audit Issues Register, which is presented to the Audit and Risk Management Committee for approval.

As a government owned corporation, Stanwell's external audit is performed by or on behalf of, the Queensland Auditor-General. The external auditor's role is to provide an independent opinion that Stanwell's financial reports are true and fair and comply with applicable regulations.

The Auditor-General has unfettered access and can examine and report to Parliament on the efficiency and effectiveness of any aspect of public sector finance and administration.

Internal audit and external audit operate, perform and report as separate, independent functions.

The Group Manager Internal Audit and representatives of the Queensland Auditor-General meet periodically with the Audit and Risk Management Committee without management present.

In accordance with the *Corporations Act 2001 (Cth)*, when presenting financial statements for approval, the CEO and the Chief Financial Officer (CFO) provide a written statement to the Board to the effect that:

- The financial records of Stanwell for the financial year have been properly maintained in accordance with section 286 of the *Corporations Act 2001 (Cth)*.
- Stanwell's financial statements and notes to the financial statements comply in all material respects with the Australian Accounting Standards, the *Corporations Act 2001*, and other prescribed requirements, and present a true and fair view of the company's financial position and performance.

In addition, the CEO and CFO state to the Board in writing that:

- The assurances given above, and the integrity of Stanwell's financial statements, are founded on a sound system of risk management, compliance and internal control which implements, in all material respects, the policies and processes adopted by the Board.
- To the extent that they relate to financial reporting, the risk management, compliance and internal control systems are operating effectively in all material respects and that nothing has occurred since 1 July 2026 that would materially change the above statements.

Principle five
Make timely and balanced disclosures

In line with the requirements of the *Government Owned Corporations Act 1993 (Qld)*, shareholding Ministers are advised in a timely manner of all issues likely to have a significant financial, operational, employee, community or environmental impact. Stanwell also regularly assesses the key information requirements of its stakeholders.

Release of Information Publication Scheme

Stanwell is committed to providing the public with information about Stanwell in a timely and open manner.

As a Queensland Government-owned corporation, Stanwell has adopted the Queensland Government's 'push' model for the routine and proactive release of information into the public domain via Stanwell's Release of Information Publication Scheme, which can be viewed at www.stanwell.com.

Principle six
Respect the rights of shareholders

Stanwell is committed to ensuring that its shareholding Ministers are continually and appropriately informed of its performance and activities.

Communication is undertaken through several forums, including: the Statement of Corporate Intent, Corporate Plan and Quarterly Reports.

The Statement of Corporate Intent and Corporate Plan provide a transparent set of agreed performance criteria and strategic objectives on which to report to shareholding Ministers and their representatives via the Quarterly Report. The Statement of Corporate Intent (with commercially sensitive information deleted) is tabled in Parliament and published on Stanwell's website.

An Annual Report (containing those matters outlined in section 120 of the *Government Owned Corporations Act 1993 (Qld)* is prepared and issued to shareholders and interested stakeholders and is published on Stanwell's website.

In addition, information about unplanned outages of Stanwell's generation assets is provided promptly to shareholding Ministers and their representatives, and communicated on Stanwell's website. Briefings to shareholding Ministers and their representatives are conducted on a regular basis for the purpose of disclosing business activities and performance against agreed targets.

Principle seven
Recognise and manage risk

Risk management originates at the Board level and cascades throughout Stanwell via policies, delegated authorities and committee structures.

The Board establishes the foundation for risk management through its Risk Appetite Statement.

It is also responsible for overseeing the establishment of systems for risk management including the key frameworks and policy components.

The Board has adopted the Enterprise Risk and Business Resilience Policy, Enterprise Risk Management Framework, Risk Appetite Statement and Risk Evaluation Matrix which are consistent with ISO 31000:2018 Risk Management Principles and Guidelines and COSO: Enterprise Risk Management Integrating with Strategy and Performance (2017).

Stanwell recognises that managing risk is fundamentally about creating and protecting value.

Stanwell's risk management approach is characterised by the following principles:

1. The objective of Stanwell's risk management practices is not necessarily to eliminate risk but to understand and to take a measured level of risk commensurate to the value that is being protected or created.
2. Stanwell applies a structured and comprehensive approach to risk management to ensure that it achieves consistent and measurable results.

3. The risk environment is not static; therefore, our people should be aware of and respond to internal or external changes and events in an appropriate and timely manner.
4. Risk management should be integrated into day-to-day decision-making and leverage existing frameworks and processes wherever possible.
5. The quality of Stanwell's decision-making will be further enhanced by ensuring that the appropriate stakeholders are involved to leverage their knowledge, views and perceptions.
6. Decisions should be made using the best available information that considers both internal and external factors.
7. Appropriate behaviour and culture are fundamental to the effectiveness of Stanwell's risk management practices and decision-making and our key decision makers are expected to familiarise themselves with Stanwell's Enterprise Risk Management Framework and always apply its principles.

Stanwell's enterprise risk management model is based on the 'three lines of defence' and is illustrated in the diagram below.

Stanwell's enterprise risk management model

BOARD

Audit and Risk Management Commitee | People and Safety Committee

EXECUTIVE LEADERSHIP TEAM

- Set risk appetite.
- Ensure risk taking is aligned with strategic plan and direction.
- Ensure a strong oversight and control structures are in place.
- Ensure clear accountability and ownership of risk and control across the organisation.

1st Line of Defence IDENTIFY AND CONTROL		2nd Line of Defence: SET STANDARDS AND CHALLENGE	3rd Line of Defence INDEPENDENT ASSURANCE
A. Divisional, site and corporate teams (front line)	B. Support teams (within divisional and corporate teams)	Risk, compliance, business continuity, financial control, security, health, safety and wellbeing, information security, etc.	Internal Audit External Audit Regulator
• Identify, take and manage risks in day-to-day activities. • Execute risk and control procedures on a day-to-day basis. • Ensure risks are within the organisation's risk appetite, risk management and control policies.	• Monitor and test risk management activities performed by A. • Monitor compliance with the organisation's risk appetite, risk management and control policies. • Provide input for risk reporting.	• Develop and facilitate effective risk management and control policies. • Independently challenge and oversee the 1st line of defence. • Monitor and report risk exposure (including internal control) status. • Provide training, tools, advice and support to the 1st line.	• Provide independent assurance on the effectiveness of governance, risk management, and internal controls, including the manner in which the other lines of defence achieve risk management and control objectives.

The Board, its committees and the Executive Leadership Team collectively have the responsibility and accountability to set Stanwell's objectives and supporting strategies and to ensure that the 'three lines of defence' are effectively and continually interacting with each other so that risks are being managed.

Stanwell's Board approved Risk Appetite Statement details the level of risk the Board is willing to accept in pursuit of Stanwell's strategic objectives. It influences Stanwell's strategy formulation, the response to Stanwell's current and emerging risk environment, and informs business decisions at all levels about how to respond to emerging risks and how much control is expected.

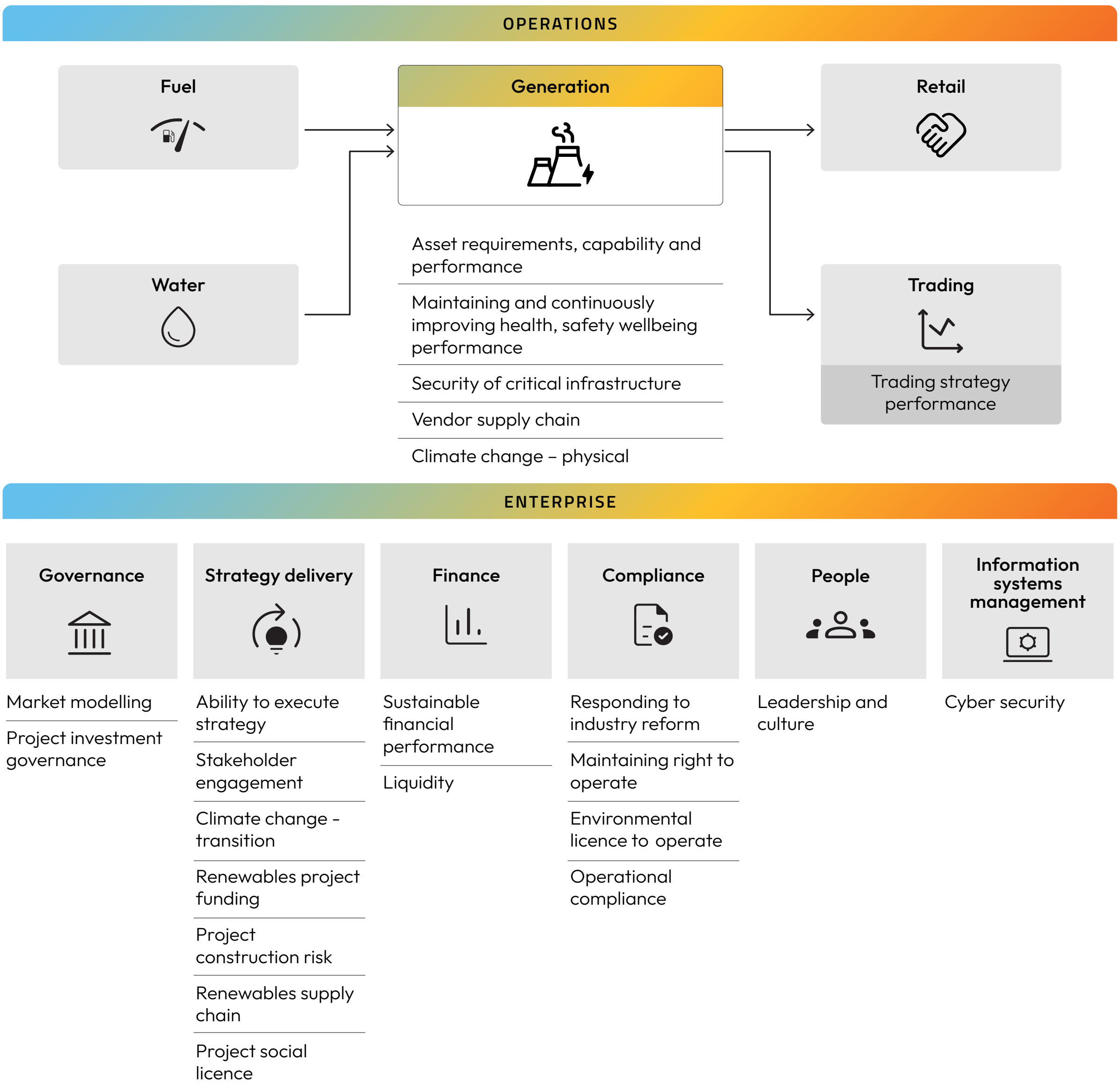
The Board monitors Stanwell's performance against its stated risk appetite via the Risk Appetite Dashboard Report. The Report assigns leading indicator metrics to each qualitative appetite category. These provide an early warning of rising risk levels and enable the Board and Management to act early to avoid breaching a particular risk tolerance.

Stanwell seeks to embed risk management principles and practices into strategy development and day- to-day business processes to achieve robust and responsible commercial outcomes.

Stanwell faces a variety of risks due to the nature of its operations.

The material strategic risks faced by Stanwell's operation are illustrated in the diagram below.

Stanwell's material strategic risks



Stanwell's climate-related risk profile (both physical and transitional) will change over time.

The Audit and Risk Management Committee receives presentations from management at each meeting on Stanwell's material strategic risks (both financial and non-financial), the controls in place to manage those risks and actions to reduce the risk to the target level within a prescribed timeframe.

Stanwell has implemented several other policies that directly or indirectly serve to mitigate and manage risk, including the Trading Risk Management Policy which provides the governance framework that ensures that electricity market and credit risk exposures are measured, managed and controlled within the parameters of Stanwell's risk appetite.

Stanwell conducts regular reviews of its business interruption risks and implements appropriate planning to mitigate those risks. These plans are tested by periodic business continuity and disaster recovery exercises that are designed to provide a sound degree of resilience should Stanwell need to respond to, and recover from, an adverse event while continuing to maintain business critical functions.

Stanwell manages cyber security as a material strategic risk. Our cyber security program is designed to improve our cyber security maturity which leverages and aligns with the Australian Energy Sector Cyber Security Framework. The five security functions of 'Identify', 'Protect', 'Detect', 'Respond' and 'Recover' are the foundation of our cyber security framework.

Stanwell's response to the risk of fraud is consistent with the Crime and Corruption Commission's guide to best practice in fraud and corruption control and includes regular fraud risk assessments, the annual review of the fraud control plan and the effective operation of fraud prevention and detection controls. In addition, the internal audit function performs forensic data analysis, unannounced audits and a rolling program of audits focusing on the effectiveness of fraud prevention and detection controls.

Stanwell's Compliance and Regulatory Management System is based upon the International Standard ISO 19600:2014 Compliance management systems – Guidelines. The Board approved Compliance and Regulatory Management Policy outlines Stanwell's commitment to ensuring that Stanwell is able to meet all of its compliance obligations and appropriately respond to any compliance and/or regulatory issues.

Principle eight
Remunerate fairly and responsibly

The fees paid to directors for serving on the Board and on the committees of the Board are determined by shareholding Ministers and advised to Stanwell.

The People and Safety Committee oversee and provide advice to the Board on employment strategies and frameworks. The Committee makes recommendations to the Board on Enterprise Agreement (EA) frameworks as well as remuneration settings for non-EA employees and the remuneration and other terms of employment for senior executives.

When increasing senior executive remuneration or awarding incentive payments, the Board must comply with the Chief and Senior Executive

Employment Arrangements Policy (as amended from time to time) which applies to all Government Owned Corporations (GOCs).

Details of the remuneration paid to directors and senior executives are set out in the key management personnel note on pages 125 to 128 of this report.

Government Owned Corporations Act requirements

Government directions and notifications

Section 120(e) of the *Government Owned Corporations Act 1993 (Qld)* requires Stanwell to provide in its Annual Report particulars of any directions and notifications provided to Stanwell by shareholding Ministers that relate to the relevant financial year.

During the 2025/26 financial year, Stanwell acted in compliance with shareholding Minister notice under section 114 of the *Government Owned Corporations Act 1993* regarding the application of public sector procurement policies to Stanwell effective 1 November 2024.

No directions or notifications were provided to Stanwell by shareholding Ministers for the reporting period.

Dividend Policy

For the financial year ended 30 June 2026, the Board considered the requirements of rule 17.1 of Stanwell's Constitution, section 131 of the *Government Owned Corporations Act 1993* and section 254T of the *Corporations Act 2001*.

Having considered Stanwell's financial position, solvency requirements and liquidity needs, the Board resolved not to declare a final dividend for the financial year ended 30 June 2026.

Corporate entertainment and hospitality (individual events over $5,000)

Corporate entertainment and hospitality expenditure over $5,000 for the 2025/26 financial year is detailed below:

Event	Cost
Stanwell Energy Markets annual charity fundraising bowls day event	$12,803

SUSTAINABILITY REPORT

INTRODUCTION

Purpose and scope

The purpose of this Sustainability Report is to meet Stanwell Corporation Limited's ("Stanwell's" or "the Group's") mandatory climate-related financial disclosure obligations under the Australian Sustainability Reporting Standards (ASRS), as issued by the Australian Accounting Standards Board (AASB). This report has been prepared in accordance with AASB S2 *Climate-related Disclosures* and the *Corporations Act 2001*, the mandatory standard applicable for annual reporting periods commencing on or after 1 January 2025.

This Sustainability Report has been prepared for Stanwell Corporation Limited and its controlled entities (collectively, Stanwell) and should be read in conjunction with Stanwell's Consolidated Financial Statements. The report covers the same reporting entity and reporting period as the consolidated financial statements and incorporates climate related financial information for the financial year ended 30 June 2026 (the 2025/26 financial year).

This report forms part of Stanwell's Annual Report and has been prepared to provide users of general-purpose financial reports with transparent, decision useful information on Stanwell's exposure to climate related risks and opportunities.

Transition reliefs

In preparing this report, Stanwell has applied the following transition reliefs available under AASB S2 for its first annual reporting period:

- Not to disclose comparative information (AASB S2, Appendix C, paragraph C3); and
- Not to disclose scope 3 greenhouse gas emissions (AASB S2, Appendix C, paragraph C4(b)).

Consistent with the jurisdictional relief available under AASB S2, Stanwell has prepared its scope 1 and scope 2 greenhouse gas emissions disclosures using the methodologies prescribed under the *National Greenhouse and Energy Reporting Act 2007*, rather than the Greenhouse Gas Protocol. Stanwell intends to prepare its Scope 3 greenhouse gas emissions disclosures in accordance with the Greenhouse Gas Protocol measurement framework for the 2026/27 reporting period.

In accordance with AASB S2, Stanwell has not disclosed quantitative information about the current or anticipated financial effects of certain climate-related risks and opportunities where those effects are not separately identifiable from the Group's broader financial effects, or where significant measurement uncertainty exists.
This uncertainty reflects assumptions regarding the timing, magnitude and likelihood of future climate impacts, market developments, technological change, policy settings and the Group's responses.
In these circumstances, Stanwell has provided qualitative information describing the nature of the climate-related risks and opportunities, the areas of the business that may be affected, and the expected direction of those effects to enable users of the general purpose financial report to understand the potential implications for the Group's financial position, financial performance and cash flows over the short, medium and long term.

Judgements and measurement uncertainties

Judgements

The preparation and presentation of this report involves applying judgement to determine what information is relevant, reliable and useful to disclose. This includes interpreting reporting requirements and making informed decisions in areas where the standards allow flexibility.

As a government-owned corporation, Stanwell will continue to update its annual climate-related disclosures to align with Queensland Government policies, whole of government reporting requirements, and the expectations of its shareholding Ministers.

The following table summarises key judgements applied:

Area of management judgement	Description of judgement
Scenario analysis	Stanwell has exercised judgement in determining that the climate-related risks and opportunities identified in 2022/23 and updated in 2023/24 remain relevant to the Group's current operations, asset mix and exposure profile. These risks and opportunities remain appropriate inputs for Stanwell's climate-related scenario analysis. The 2025/26 scenario analysis is a separate assessment of the resilience of Stanwell's current strategy and business model under selected climate scenarios. In undertaking this assessment, Stanwell considered the strategic direction reflected in the Queensland Government's Energy Roadmap 2025, including the continued operation and investment in existing generation assets, a greater role for private sector participation in new energy development, and the role of firming and dispatchable capacity in supporting system reliability. Scenario analysis will continue to be reviewed annually and updated where material changes occur, including significant regulatory or policy developments, major capital changes or fundamental changes to Stanwell's business model.
Organisational boundary	Stanwell has applied the **operational control approach** to define the organisational boundary for its scope 1 and scope 2 greenhouse gas emissions disclosures, consistent with the Greenhouse Gas Protocol definition of operational control. Under this approach, Stanwell accounts for 100 per cent of emissions from the Stanwell Power Station, the Tarong and Tarong North power stations, Meandu Mine and the Brisbane corporate office. Day-to-day mining operations at Meandu Mine were undertaken by BUMA Australia and, following a transition during 2025/26, are now undertaken by Golding Contractors. Stanwell retains operational control because it determines coal production requirements based on its generation forecasts, prepares and approves the mine planning framework that governs mining activities, and issues approved planning requirements to the mining contractor for execution. Stanwell also retains oversight of operational performance and the environmental governance framework for the mine. Emissions from Meandu Mine will therefore be included in Stanwell's scope 1. Stanwell does not include emissions from operating renewable projects subject to power purchase agreements, or from Wambo Wind Farm (which Stanwell has 50 per cent equity in), in its scope 1 and scope 2 organisational boundary. Under the operational control approach, these projects sit outside Stanwell's boundary because Stanwell does not have authority to introduce and implement operating policies at the generation facilities. Relevant emissions associated with these arrangements will be considered through scope 3 reporting where required. The boundary will be reassessed where material changes occur in Stanwell's asset portfolio or commercial arrangements.
Materiality	Management exercised judgement in determining which climate-related risks and opportunities, and related disclosures, were material for inclusion in this report. This assessment considered whether information could reasonably be expected to influence the decisions of primary users of Stanwell's general purpose financial reports. Materiality was assessed using both qualitative and quantitative factors, including the potential effect of climate-related risks and opportunities on Stanwell's strategy, business model, operations, financial position, financial performance and cash flows over the short, medium and long term. Consideration was also given to the likelihood and magnitude of potential impacts, the expectations of stakeholders and the reporting requirements of AASB S2. Where climate-related financial effects could not be separately identified, or were subject to significant measurement uncertainty, qualitative disclosures have been provided in accordance with AASB S2. Quantitative information has been disclosed where the financial effects could be separately identified and reasonably estimated.

Measurement uncertainty

Measurement uncertainty in this report arises from data gaps, reliance on proxy information and external factors. The table below summarises the main sources of measurement uncertainty affecting some of the disclosures in this report.

General area of measurement uncertainty	Description of the measurement uncertainty
Greenhouse gas emissions	Scope 1 and scope 2 greenhouse gas emissions are measured in accordance with the *National Greenhouse and Energy Reporting Act 2007* and associated determination methods. Measurement uncertainty arises from the use of emissions factors, estimation techniques, and, where applicable, assumptions applied to activity data. Stanwell applies established calculation methodologies and data validation processes. In calculating scope 1 greenhouse gas emissions, Stanwell identified two sources of measurement uncertainty. Fugitive emissions from Meandu Mine for FY26 were estimated using an extrapolation method, based on historical averages and coal production volumes. Complete activity data was not available at the reporting date. These estimated emissions have been included in the reported scope 1 emissions total. Fugitive emissions associated with refrigerant losses were assessed and determined to be immaterial to Stanwell's total scope 1 emissions and have therefore not been included in the reported scope 1 emissions total.
Scenario analysis: **Climate projection data smoothing effect**	An inherent limitation of climate projection science is the potential smoothing effect arising from statistical processing of model outputs. While this approach provides a robust indication of long-term climate trends (including chronic changes), it may underrepresent the frequency or intensity of extreme acute events. To illustrate this limitation, examples of extreme historical weather events were referenced in Stanwell's 2025/26 scenario analysis.

Stanwell has not undertaken detailed analysis of how changes in methods, assumptions or estimates would affect its greenhouse gas emissions disclosures or the potential business-wide financial effects of climate-related risks and opportunities for the 2025/26 reporting period.

Stanwell has not quantified the range of reasonably possible outcomes for amounts subject to measurement uncertainty, or when more reliable estimates may be available, as this depends on future government policy decisions, electricity market conditions, system reliability requirements, technology deployment and future impairment assessments. Stanwell will keep these disclosures under review and intends to develop them in future reporting periods as its data baseline and scenario modelling mature.

Overview of business model and value chain

Stanwell is a major provider of electricity and energy solutions to Queensland, the National Electricity Market, and large energy users in Australia. Our corporate office is located in Brisbane, with energy generation and storage assets located throughout Queensland.

Stanwell owns two coal-fired power stations – the Stanwell Power Station west of Rockhampton, and the Tarong power stations near Kingaroy, which have a combined capacity of approximately 3.3 GW. The coal that supplies Tarong power stations is sourced from the co-located Meandu Mine, which Stanwell also owns. Coronado Global Resource's Curragh Mine in Central Queensland is the primary coal supplier to Stanwell Power Station. Stanwell sources water for its power stations under long term allocations primarily from Boondooma Dam near Tarong, and the Fitzroy River in Rockhampton, managed through Sunwater's Eden Bann Weir Scheme.

As outlined in the Queensland Government Energy Roadmap 2025, we are working with the private sector to advance a pipeline of new generation and firming projects across the State (outlined in the map on page 5). We are using a variety of commercial models to bring new projects to market.

GOVERNANCE

Overseeing climate-related risks and opportunities

Board

Ultimate responsibility for overseeing the management of climate-related risks and opportunities lies with Stanwell's Board as part of its broader responsibility for strategy and risk management. Responsibility for climate-related risks and opportunities is embedded within the charters, mandates and role descriptions of the Board, its committees and management.
This is undertaken in alignment with Queensland Government policies, and in keeping with shareholding Ministers' expectations and priorities. The Board Charter requires the Board to oversee Stanwell's Enterprise Risk Management Framework, including the identification, assessment and management of material risks, and to determine the level of risk the organisation is willing to accept in pursuit of its strategic objectives. The Board is also responsible for monitoring, reviewing and considering material sustainability risks and opportunities and alignment with Stanwell's business strategy.

Audit and Risk Management Committee

The Board is supported by its committees, including the Audit and Risk Management Committee (ARMC), which plays a key role in overseeing climate-related risks and opportunities. The ARMC Charter requires the committee to review and make recommendations to the Board on the effectiveness of Stanwell's Enterprise Risk Management Framework, including processes for identifying, monitoring and managing significant business risks, encompassing both financial and non-financial risks such as climate-related risks and opportunities.

The ARMC also oversees compliance, internal control and reporting processes, including the integrity of sustainability and climate-related reporting required under applicable regulatory frameworks.

In overseeing Stanwell's strategy, risk management framework and material investment decisions, the Board and its committees consider energy security, asset performance, capital allocation, government policy settings and long-term portfolio resilience in their decisions. In doing so, the Board considers the trade-offs between these priorities, including balancing system reliability and affordability with the pace of decarbonisation, in alignment with the Queensland Government's Energy Roadmap 2025.

Climate-related physical and transitional risks are incorporated through Stanwell's enterprise risk management reporting, climate-related risk and opportunity assessments and scenario analysis outcomes.

The Board is kept informed of climate-related risks and opportunities through enterprise risk reporting, ARMC reporting, strategic planning materials and annual climate-related disclosures. The Board considers climate-related risks and opportunities at least annually through the ARMC's recommendations, the annual review of the Corporate Strategy and approval of the annual climate-related disclosures, with additional matters escalated by the ARMC as required. The ARMC reviews Stanwell's climate-related risk and opportunity profile at least annually and considers enterprise risk reporting on a six-monthly basis.

Queensland Government and shareholding Ministers
Queensland Government sustainability reporting framework

Board

Stanwell's Board, supported by its committees, has ultimate oversight of Stanwell's management of climate-related risks and opportunities. The Board is also responsible for providing input into, and approving, the business' annual climate-related disclosures.

The Board receives recommendations from the Audit and Risk Management Committee on climate-related risks and opportunities that fall within the Committee's areas of responsibility, as outlined in the Board and ARMC Charters.

Board committees

Audit and Risk Management Committee

Oversees the process for identifying, monitoring and managing significant climate-related risks and opportunities, and for verifying the integrity of climate-related reporting as required by law. The committee also oversees Stanwell's annual risk profile, including climate-related risks, and the six-monthly enterprise risk report.

Management roles

Executive Leadership Team

At a management level, responsibility for climate-related risks and opportunities is allocated through Stanwell's governance and risk management frameworks. The Chief Executive Officer is responsible for the day-to-day management of Stanwell, including establishing systems for identifying and managing significant business risks and implementing appropriate control, monitoring and reporting mechanisms.

Climate-related submissions to Board and Board committees are also first reviewed and endorsed by the Executive Leadership Team.

Stanwell does not currently operate separate management-level committees or controls dedicated solely to climate-related risks and opportunities. Instead, these risks are managed through, and integrated within, Stanwell's existing Enterprise Risk Management Framework, enterprise risk reporting and strategic planning processes.

Climate-related skills and competencies

The Board's oversight of climate-related risks and opportunities is supported by its collective skills, experience and expertise, as assessed through a Board composition assessment. The most recent Board composition assessment was performed in March 2025, with an update scheduled to be performed in the next financial year. The assessment identifies the mix of capabilities required to effectively govern Stanwell, including skills relevant to climate-related risks and opportunities such as strategy, risk management, governance, sustainability and energy sector expertise.

These capabilities support the Board's ability to oversee, test and challenge management on climate-related risks and opportunities identified through Stanwell's Enterprise Risk Management Framework. Stanwell will continue to enhance its approach to assessing Board capability, including consideration of climate-related competencies as part of future Board assessment processes. Where capability gaps are identified, these are addressed through targeted development activities, including engagement with external subject matter experts where appropriate.

Executive remuneration linked to climate-related metrics

Stanwell did not have any climate-related targets during 2025/26, and no component of executive remuneration was linked to climate-related considerations.

OUR STRATEGY

As a Queensland Government-owned corporation, Stanwell integrates its approach to managing climate risks, investment, portfolio management and Queensland's energy shift through its Corporate Strategy, aligning with the Queensland Government's priorities under the Queensland Government's Energy Roadmap 2025.

Stanwell does not have an independent climate transition plan. Stanwell's role is to implement initiatives that support government policy in a manner that balances system affordability, reliability, and commercial performance, while supporting the State's commitment to net zero by 2050.[1]

Climate-related risks and opportunities

Identification and assessment of climate-related risks and opportunities

Stanwell identifies and assesses climate-related risks through its Enterprise Risk Management Framework, supported by internal stakeholder engagement and structured risk review processes. Climate-related risks are assessed using qualitative and quantitative criteria through Stanwell's Risk Matrix, which evaluates the likelihood and severity of potential impacts by estimating worst-case scenarios in terms of operational disruption and financial loss. This process results in the assignment of a risk rating, which enables prioritisation of climate-related risks relative to other enterprise risks across the business.

Enterprise-level climate-related risks are reviewed at least every six months, while detailed climate-related risks and opportunities are assessed annually in line with Stanwell's Enterprise Risk Management Framework. This framework supports a consistent and structured approach to identifying, assessing and monitoring climate-related risks across the organisation.

While the Enterprise Risk Management Framework is used to capture and prioritise climate-related risks, it does not currently capture climate-related opportunities. Climate-related opportunities are instead identified and assessed through a dedicated climate risk and opportunity assessment process. Stanwell undertook its first comprehensive climate-related risk and opportunity assessment in 2023/24, in advance of mandatory disclosure requirements.

During 2024/25, the assessment was refreshed to incorporate changes to Stanwell's portfolio, including the addition of renewable energy and firming projects, and to reflect updated strategic priorities aligned with shareholding Ministers' expectations.

This dual approach of embedding climate-related risks within the Enterprise Risk Management Framework and assessing opportunities through a standalone process ensures that Stanwell maintains a structured and current understanding of its exposure to climate-related risks and opportunities.

1. Net Zero by 2050 – Queensland Treasury - www.treasury.qld.gov.au/policies-and-programs/climate/net-zero-roadmap

Climate-related risks and opportunities

The following tables summarise the climate-related physical risks, transition risks and transition opportunities that could affect Stanwell's strategy, business model and financial position. They also note the mitigation and strategic planning activities in place to respond to them.

These risks and opportunities are the basis for Stanwell's climate-related scenario analysis in the following section. The scenario analysis tests how each risk or opportunity may affect Stanwell under different climate futures. Where a risk was not material under the scenario tested, it has not been quantified or included in the scenario analysis summary.

Climate-related physical risks

Risk	Potential business impact	Key mitigation activities
The increased frequency, severity and changing patterns of physical climate hazards - including cyclones, major storms, flooding, bushfires, drought, heatwaves, wind drought and increasing average temperatures - may disrupt Stanwell's generation assets, transmission connections, fuel and water supply, workforce access and supply chains. These hazards may result in physical damage to assets and infrastructure, reduced generation output or efficiency, constrained access to critical inputs, and interruptions to grid connectivity.	These impacts could reduce operational continuity, generation capacity and system reliability across Stanwell's coal-fired, renewable and firming assets. Potential financial impacts may include asset repair and replacement costs, increased maintenance expenditure, reduced revenue from lower generation availability or output, higher operating costs, and additional investment required to improve asset resilience and adaptation.	• Business continuity plans are in place for Stanwell's critical functions and plant. • Natural hazard management plans are in place with key service providers, as well as quarterly performance meetings and frequent management meetings. • Summer readiness asset planning is undertaken ahead of high demand periods. • Stanwell's risk management framework is reviewed on an annual basis and/or after the occurrence of a trigger event. • Asset strategies and maintenance plans are reviewed annually to ensure continuous reliability of the units. • Stanwell's pipeline of new renewable assets is geographically dispersed, reducing the impact of location-specific extreme weather.

2025/26 financial impact

No material financial effects arising from climate-related physical risks were identified for separate disclosure in the FY26 financial statements or climate-related disclosures.

Physical climate-related events were limited in scale and managed within existing operational, risk management, and insurance frameworks. Any associated costs were either immaterial, covered by insurance, or embedded within normal operating expenditure.

No material impacts were identified during the period in relation to:

- financing arrangements or cost of capital;
- insurance premiums
- asset performance, outages, or operating efficiency; or
- asset valuations, useful lives, or impairment assessments (*refer Note 9 – Property, Plant and Equipment*).

Environmental remediation expenditure of approximately $8.0 million relates to routine rehabilitation and mine closure obligations and is not attributable to climate-related physical risk events (*refer Note 15 – Current Provisions and Note 17 Non-Current Provisions*).

Climate-related financial effects are identified using internal incident reporting, asset management, and insurance systems. Impacts are recognised only where a direct causal link to a climate hazard can be established and where amounts exceed materiality thresholds consistent with the statutory financial statements.

	Amount of assets or business activities vulnerable to physical risks (pre hazard mitigation)	Percentage of assets or business activities vulnerable to physical risks
Climate-related physical risks	Carrying value of Stanwell-owned operational assets exposed to one or more identified physical climate hazards: **$3,890 million**.	**100 per cent** of Stanwell's operational asset portfolio is exposed to one or more identified physical climate hazards. The extent of vulnerability differs across assets depending on the nature of the hazard, asset characteristics and existing adaptation measures

Climate-related transition risks

Risk category	Risk description	Potential impact/outcome	Mitigating activities
Market **Technology**	Changing market conditions impact economic viability of Stanwell's coal-fired power stations	The Queensland Energy Roadmap resets operating timeframes for state-owned coal assets to at least technical lives, with options to extend into the future. Changing market conditions, including increasing renewable generation, may result in coal-fired power stations reaching end-of-economic life earlier than currently anticipated. Potential impacts include asset impairment, reduced asset lives and generation volume losses. As outlined in the Queensland Energy Roadmap, any decision around operating timeframes for state-owned coal assets will be subject to the Queensland Government's decision matrix which triangulates system need, asset integrity, and economic viability.	• Regular review of strategy, business planning and portfolio activities to respond to changes in market, policy and technology conditions. • Continued delivery of Stanwell's role under the Queensland Energy Roadmap 2025, including a focus on the safe, reliable and efficient operation of existing assets. • Through QIC's Investor Gateway, progressing firming solutions in partnership with the private sector. • Ongoing engagement with government, regulators, customers and industry stakeholders regarding energy market, reliability and transition outcomes. • Support the Queensland Government's decision-making on operating timeframes for state-owned coal-fired assets by providing timely and relevant information on operational, commercial and system reliability considerations, consistent with the Energy Roadmap 2025 decision matrix.
Market **Technology**	Insufficient replacement technology in place to enable closure of Stanwell's coal-fired power stations at end-of-technical life.	Coal-fired power stations may be required to operate for longer than currently anticipated to support system reliability. Potential impacts include additional capital and maintenance expenditure to sustain unit reliability. Again, any decision around operating timeframes for state-owned coal assets will be subject to the Queensland Government's decision matrix as per the Queensland Energy Roadmap 2025.	
Market	Market and consumer preference shift	Changing customer, investor, community and market preferences associated with decarbonisation may influence demand, commercial opportunities, and access to capital and insurance.	

2025/26 financial impact

No material financial impacts from climate-related transition risks were separately identifiable in FY26. Climate-related assumptions are reflected in property, plant and equipment balances and impairment testing outcomes (Note 19).

Thermal generation assets were not impaired during the period, with testing performed using approved cash flow forecasts incorporating market conditions, policy settings, and transition-related factors. Operating and maintenance costs, including Electricity Maintenance Guarantee activities, are embedded within normal expenditure and are not separately disaggregated as climate-related impacts.

	Amount of assets or business activities vulnerable to transition risks	Percentage of assets or business activities vulnerable to transition risks
Climate-related transition risks	The carrying value of Stanwell's thermal and mine assets, as at 30 June 2026, was $2,019 million.	Up to 52 per cent.
Capital deployment: the amount of capital expenditure, financing or investment deployed towards climate-related risks and opportunities	During FY26, Stanwell deployed $522.2 million in capital expenditure on renewable energy generation assets, battery energy storage systems (BESS), and other emissions reduction and system reliability initiatives. This capital deployment reflects strategic investment decisions in response to evolving policy, market, and technology conditions associated with the energy shift in alignment with the Queensland Energy Roadmap 2025. Stanwell funds its climate-related activities through a combination of operating cash flows, borrowings and, where required, equity contributions from the Queensland Government as shareholder. New energy projects will be progressed with private sector participation through QIC's Investor Gateway rather than through direct investment by Stanwell, as per the Queensland Energy Roadmap 2025. Future investment decisions and their associated funding are subject to Stanwell's business planning processes and consultation with the Queensland Government and shareholding Ministers.	

Climate-related transition opportunities			
Opportunity category	**Opportunity**	**Potential impact/outcome**	**Strategic planning activities**
Market **Products and services**	Provision of renewable energy and firming	Increasing the proportion of renewable generation and firming in Stanwell's portfolio (through offtakes, partnerships with the private sector and delivery of committed projects in line with the Queensland Energy Roadmap 2025) may support revenue growth, market share and continued reliable supply of energy to Queensland as the energy mix evolves.	• Deliver Stanwell's committed renewable generation and firming projects. • Through QIC's Investor Gateway, progress firming and dispatchable capacity opportunities in partnership with the private sector. • Continue safe and reliable operation of Stanwell and Tarong power stations to support system security through the transition.

2025/26 financial effect

During FY26, Stanwell progressed climate-related opportunities through capital investment, operational initiatives, and portfolio development. These effects are not fully reflected in current-year financial performance due to timing and integration within broader operations.

A total of $522.2 million was invested in Stanwell's renewable generation, BESS, firming and system reliability infrastructure, and other initiatives to progress the energy shift in alignment with the Queensland Energy Roadmap 2025. Revenue from these assets was up to $40.2 million and is embedded within consolidated generation and trading revenue.

Climate-related compliance costs and government incentives received during FY26 were not material. Transition-related financial flows are not separately disaggregated in statutory reporting due to integrated operations, and no standalone framework is currently applied to quantify net financial impacts.

	Value of assets or business activities impacted by transition opportunities	Percentage of assets or business activities impacted by transition opportunities
Climate-related opportunities	The carrying value of Stanwell's renewable, gas and firming assets (growth and transition portfolio) was $1,871 million.	Up to 48 per cent.

Climate-related scenario analysis

Stanwell's climate-related scenario analysis assesses the resilience of our strategy and business model. It considers potential future financial impacts across two climate pathways.

The climate-related scenario analysis is aligned to Stanwell's strategic planning cycle and will be revisited on an annual basis. We will revise our scenario analysis inputs only if material changes to operations have occurred in the financial year. In alignment with business planning, Stanwell's 2025 scenario analysis considers implications and resilience of Stanwell's operations and material value chain assets over the short- (2030), medium- (2040) (transition risk only) and long-term, (2050) time horizons.

The short-term horizon (2030) was selected to align broadly with Stanwell's Corporate Plan time horizon. The medium-term horizon (2040) was selected as an interim point between the Corporate Plan horizon and the long-term horizon (2050), which aligns with the State's commitment to net zero. We carried out this assessment with the assistance of an external consultant.

Approach

As a government-owned corporation, Stanwell's Corporate Strategy and operational planning align with Queensland Government policy, as articulated in the Queensland Government's Energy Roadmap 2025. The scenario analysis subsequently analyses the resilience of the business' current strategy and business model using hypothetical climate scenarios.

The climate-related risks and opportunities captured in our Enterprise Risk Management Framework form the basis of our climate scenario analysis. An impact assessment of physical and transition risks was performed, taking into consideration any mitigating actions, activities or processes the business had in place at the time of the exercise. Financial quantification was applied selectively, with qualitative assessment used where uncertainty meant estimates were not sufficiently reliable or decision-useful, and quantitative disclosure provided only where impacts could be reasonably estimated and met Stanwell's financial reporting materiality thresholds.

The climate-related risks and opportunities used as inputs to Stanwell's 2025/26 scenario analysis were drawn from the revised assessment undertaken by the business in 2023/24. Stanwell determined that these risks and opportunities remained relevant because the Group's asset mix and location types had not materially changed in the context of exposure to climate-related risks and opportunities. The potential impacts assessed in the 2025/26 scenario analysis were considered in the context of Stanwell's current strategic direction, including alignment with the Queensland Government's Energy Roadmap 2025.

- **Impact:** Applying an impact assessment to our enterprise physical and transition risks, taking into consideration any mitigating actions, activities or processes the business had in place at the time of the exercise; and
- **Stanwell financial reporting threshold:** Impacts were deemed material if they met the financial reporting threshold.[2]

Stanwell owned and operated assets were included in the analysis as well as material value-chain assets.

2. Stanwell's external audit materiality thresholds from its 2025/26 financial statements have been applied; specifically, $26.25 million to Profit and Loss and $35.0 million to Balance Sheet has been considered. Management considers these thresholds to be appropriate and fit for purpose for Stanwell's financial reporting, while also considering qualitative factors where relevant in assessing materiality. Impacts that are most likely to be under the materiality thresholds have not been included in Stanwell's 2025/26 disclosures.

Considerations, assumptions and limitations

Physical climate-related risks approach	**Statistical measure: 90th percentile for acute weather events** The 90th percentile of LongPaddock's projected change in climate indicators (e.g. days above 40°C) was used to inform climate projections for acute weather events. This measure highlights higher-end projections, with approximately 10 per cent of modelled outcomes predicting a more severe change than the value used. **Statistical measure: Median for chronic events** The median was used to inform climate projections for chronic climate trends. This measure incorporates input from all climate models and offers the most robust and balanced representation of long-term future climate conditions.
Long Paddock data[3]	**Medium term (2040) time horizon** Due to the absence of available Queensland Government LongPaddock data for this time horizon, physical risk analysis was not undertaken for a 2040 time horizon.
Challenges in predicting wind-related climate events	Wind related hazards, including severe storms and cyclones, are inherently difficult to model within climate projections due to the high spatial resolution required (due to often intense, highly localised systems), sensitivity to modelling inputs, complex feedback mechanisms and the significant computational resources needed for downscaled modelling. As a result, specific hazards such as lightning and hail, as well as secondary impacts including debris damage, cannot be explicitly modelled using available climate projection datasets, notwithstanding their potential financial materiality. Chronic changes in wind patterns (wind droughts) were not assessed, as LongPaddock does not provide representative modelling of long-term wind trends.
Climate projection data smoothing effect	An inherent limitation of climate projection science is the potential smoothing effect arising from the statistical processing of model outputs. While this approach provides robust insights into long term climate trends (including chronic changes), it may underrepresent the frequency or intensity of extreme acute events. To address this limitation, examples of extreme historical events were referenced alongside the model outputs to provide additional context.
Long term (2050) time horizon	Based on Stanwell's 2025/26 business planning, and consistent with the modelled scenarios in the Queensland Government's Energy Roadmap 2025, the scenario analysis assumed that none of Stanwell's coal fired generation units would be operating beyond this time horizon. While the Queensland Government's Energy Roadmap 2025 allows for options to further extend coal-fired units into the future if needed, this was not in Stanwell's base case modelling and has therefore not been assumed for the purposes of this theoretical scenario analysis.
Selection of physical risks	The climate-related risk and opportunity assessment identified a range of physical climate risks, including cyclones and major storms, flooding, bushfire, drought, heatwaves, increasing temperatures and wind drought. Each risk was considered as part of Stanwell's scenario analysis process. Detailed disclosure in this section focuses on cyclones and major storms because this hazard category was assessed as having the greatest potential to result in material operational disruption and future financial effects across Stanwell's assets and value chain under the scenario analysed. Other physical risks were assessed but were not determined to have material financial impacts for separate disclosure, either because impacts were not expected to exceed Stanwell's materiality threshold or because existing mitigation measures significantly reduced the residual risk.
Selection of transition risks	Market and consumer preference shift was identified as a climate-related transition risk (presented in the climate-related risks and opportunities section above) and considered as part of Stanwell's scenario analysis. Based on Stanwell's market share and projected portfolio, a significant change in market or consumer preference is not expected to result in a material financial impact under the Network for Greening the Financial System (NGFS) Net Zero 2050 scenario. As a result, this risk has not been quantified. Detailed analysis in this section focuses on the two coal-fired power station closure risks, which represent the most material scenario-specific transition risks identified.
Policy, macroeconomic and technology assumptions	The scenario analysis did not develop independent policy, macroeconomic or technology improvement assumptions. It relied on the macroeconomic and policy assumptions embedded in the published scenarios used.

3. *LongPaddock is a Queensland Government initiative providing seasonal climate projections under IPCC climate scenarios. For more information, visit www.longpaddock.qld.gov.au*

Scenarios

Stanwell used the following scenarios to analyse the business' exposure to climate risks and opportunities. Recognising that risks and opportunities manifest over different timeframes, Stanwell has assessed them across short-term (2030), medium-term (2040), and long-term (2050) horizons to align with the business' strategic business planning activities.

The modelled climate-related scenarios do not reflect Stanwell's preferences or projections of climate futures, nor current or expected policy positions of the Queensland Government. Rather, they provide a framework for us to consider the implications different scenarios would have for our business under various decarbonisation paces, as required by the Australian Sustainability Reporting Standards.

Climate-related scenarios	Risk/opportunities analysed	Scenario analysis assumptions
High warming: Shared Socioeconomic Pathway (SSP) 2-4.5	Physical risks (both acute and chronic)	• A higher warming (well above 2°C) climate scenario as required per AASB S2. To assess the resilience of Stanwell's assets and material value chain assets to physical climate risks, it is necessary to consider weather events of greater severity than current conditions. The intensity of extreme weather events is likely to increase under higher temperature scenarios. • Under this scenario: – global CO_2 emissions follow a trajectory that peaks around mid-century and then declines. – warming is projected to reach approximately 2.1°C to 3.5°C by the end of the Century, driven by continued reliance on fossil fuels and slower progress in reducing greenhouse gas emissions. – physical impacts from climate change become more severe.
Low warming: Network for Greening the Financial System (NGFS) Net Zero 2050 scenario	Transition risks and opportunities	• A low emission 1.5°C-aligned scenario as required per AASB S2. • Under this scenario: – warming is limited through national and global climate policies, technological innovation, and significant investments in renewable energy and energy efficiency both nationally and globally. – transitionary impacts and opportunities are expected to be the greatest. – Stanwell may be faced with uncertainty in relation to potential changes in market and consumer behaviour.

These scenarios were selected to represent both ends of the emissions spectrum: a low-emissions pathway aligned with 1.5°C (transition risks and opportunities) and a higher-emissions pathway aligned with a warming scenario well above 2°C (physical risks).

Key findings

Stanwell's scenario analysis draws on our risk governance processes and the integration of climate-related risks within our Enterprise Risk Management Framework. As critical infrastructure, Stanwell's assets undergo ongoing assessment, resilience testing and planning for physical and transition climate impacts. Supported by existing mitigation, adaptation planning and operational controls, the scenario analysis found that Stanwell's climate-related risk exposure is limited and our portfolio resilient, with our strategy remaining viable under the scenarios tested.

Stanwell's capacity to adjust and adapt over the short, medium and long term is supported by portfolio flexibility. Existing assets are maintained and upgraded through asset strategies and sustaining capital expenditure, while decisions to extend, repurpose or retire coal-fired units follow the Queensland Government's Energy Roadmap 2025 decision matrix, which triangulates system need, asset integrity and economic viability.

The below tables set out the climate-related risks and opportunities, identified through our climate-related scenario analysis, that are deemed material in terms of potential future financial impact across the short, medium and long term.

Climate-related transition risks

High warming case

Material risk under scenario	Key mitigation activities	2025/26 financial impact
Cyclones and major storms Cyclones and major storm events have the potential to cause physical damage to coal fired power stations, renewable generation assets, and transmission infrastructure, disrupting the supply of electricity to customers. Generation output may be reduced through asset damage and wind turbine cut out events, while damage to power lines could interrupt grid connectivity. These events could also restrict staff access to sites, disrupt transport and supply chains, and reduce the availability of critical input resources, collectively impacting operational continuity and system reliability.	• Business continuity plans are in place for Stanwell's critical functions and plant, including the identification of key service providers. • Natural hazard management plans are in place. A natural hazards and season weather outlook report is prepared at least twice a year. • Key service providers are given the natural hazard management plan, and the management of any impacts of natural hazard events are reviewed at quarterly performance meetings and frequent management meetings. • Each site will undertake a lesson learnt review of any response to a natural hazard event and record the review and findings in Stanwell's Event, Action and Risk System (EARS). • Summer readiness asset management is undertaken ahead of high demand or high-risk periods. • Stanwell's risk management framework is reviewed on an annual basis and/or after the occurrence of a trigger event. • Asset strategies and maintenance plans are reviewed annually to ensure continuous reliability of the units. • Stanwell's pipeline of new renewable assets is geographically decentralised, reducing the impact of location-specific extreme weather.	Under the SSP2-4.5 scenario assessment, no material financial impacts from cyclones or major storm events were identified during FY26. Quantitative information about the financial effects of this climate-related physical risk has not been disclosed because any impacts identified were either not separately identifiable from Stanwell's broader operating and maintenance activities or were subject to significant measurement uncertainty. This reflects the difficulty in isolating the financial effects of individual weather events from routine operational expenditure, capital investment and broader business activities. Where costs were identified, they were immaterial and managed within existing operational budgets. **Quantification methodology** Financial impacts are assessed using internal incident reporting, maintenance expenditure data and insurance records. Costs are attributed only where a direct causal link to an extreme weather event can be reliably established. Where costs are embedded within broader operational or capital programs, or cannot be reliably distinguished from normal business activities, they are not separately identified. In accordance with AASB S2, quantitative information is not disclosed where the financial effects are not separately identifiable or are subject to significant measurement uncertainty. Materiality is assessed using Stanwell's internal thresholds at both the event and consolidated financial statement levels.

Potential future operational impact (residual risk after mitigating factors applied to enterprise climate-related risk) under scenario	Time horizon 2030	Time horizon 2050	Potential future financial impact
The results of our 2025/26 scenario analysis provide that cyclones and major storms have the most significant operational impacts on transmission lines over the time horizons analysed.	✓		The only operational impact deemed to materialise into a financial impact for Stanwell is that of climate hazards' (cyclones/severe storms) impact on transmission lines (in the event that power stations are cut off from transmission lines). However, in such an event the energy market price will be highly unpredictable, and the direct revenue impact cannot be quantified. Other operational impacts identified under additional physical climate risks within our risk and opportunity assessment are not expected to result in material financial impacts, either because they do not meet Stanwell's financial materiality threshold or due to the effectiveness of existing mitigation measures.

Climate-related transition risks

Low warming case

Material risk under scenario	Key mitigation activities	2025/26 financial impact
Changing market conditions impact economic viability of Stanwell's coal-fired power stations	• Continue to evolve our strategy and business planning in response to our external environment and to implement the Queensland Government's Energy Roadmap 2025. • Ongoing consultation with relevant stakeholders to understand the timing and availability of new energy infrastructure. • In line with Government's expectations of Stanwell, investigate dispatchable capacity and firming solutions in partnership with the private sector. • Continue to progress the development of Stanwell's battery projects. • Continue to focus on the secure and reliable operation of our power stations and mine. • Provide input into regulatory processes relating to energy reliability and security initiatives. • Ensure the renewable energy projects we are involved with are developed and operated in ways which provide opportunities for local communities. • Support the Queensland Government's decision-making on operating timeframes for state-owned coal-fired assets by providing timely and relevant information on operational, commercial and system reliability considerations, consistent with the Energy Roadmap 2025 decision matrix.	Under the NGFS Net Zero 2050 scenario, no material financial impacts relating to the potential deterioration of economic lives of Stanwell's coal-fired power stations were identified during FY26. Quantitative information about the anticipated financial effects has not been disclosed because the effects are subject to significant measurement uncertainty. The timing and magnitude of any financial impacts depend on future government policy decisions, electricity market conditions, system reliability requirements, technology deployment and future impairment assessments. In addition, any impacts would be recognised through Stanwell's existing planning, forecasting and impairment assessment processes and are not separately identifiable in the current reporting period. Operating life assumptions continue to be reviewed through Stanwell's impairment testing and long-term planning processes in accordance with applicable accounting standards.
Insufficient replacement technology in place to enable closure of Stanwell's coal-fired power stations at end-of-technical life.	*Under this scenario, there is a low likelihood of insufficient replacement technology causing delayed closures, given the projected shifts in global policy settings and market dynamics to ensure warming is limited to reference temperature outcomes.*	No material financial impacts relating to insufficient replacement technology causing delayed closures were identified during FY26. Thermal generation assets continue to be assumed to retire at the end of their technical lives, consistent with current market notices and submissions to AEMO. Any extension of operating life would depend on future market conditions, government policy and system reliability requirements. Quantitative information about the anticipated financial effects has not been disclosed because any future impacts are not separately identifiable from Stanwell's broader business planning and investment activities and remain subject to future decisions regarding asset operating lives. Potential impacts, including additional sustaining capital expenditure, maintenance costs and deferred transition investment, would be recognised through future planning and investment processes if and when those decisions are made.

Climate-related transition risks

Low warming case (continued)

Potential future operational impact (residual risk after mitigating factors applied to enterprise climate-related risk) under scenario	Time horizon			Potential future financial impact
	2030	2040	2050	
Changing market conditions impact economic viability of Stanwell's coal-fired power stations: Under the scenario analysed, there is a **moderate likelihood** of deterioration in the economic lives of Stanwell's coal-fired power stations due to the shift toward decarbonisation in the short to medium term. By 2050, the likelihood decreases, reflecting the current potential withdrawal of coal-fired assets, notwithstanding the presence of gas assets.	✓	✓	○	Under the NGFS Net Zero 2050 scenario, there is a risk of economic degradation of coal-fired power stations, driven by assets reaching end of economic life caused by the impacts of renewables on the National Electricity Market. If there was sufficient lead time for Stanwell to adjust and substitute early shut down requirements with alternative generation technologies, financial effects could be mitigated. Potential financial impact from early closure in the short term may include asset impairment and generation volume loss from year of early closure until the end of technical life for units.
Insufficient replacement technology in place to enable closure of Stanwell's coal-fired power stations at end-of-technical life: Under the scenario, there is a **low likelihood** of delayed coal fired power station closures across the market, given the projected shifts in global policy settings and market dynamics to ensure warming is limited to reference temperature outcomes.	○	✓	✓	Under the NGFS Net Zero 2050 scenario, the likelihood of insufficient replacement technology causing delayed closures is identified as being low in the medium to long term. Potential financial impact may include possible additional capital expenditure and asset maintenance costs for extensions to the operating timeframes of units.

Climate-related transition opportunities

Climate-related transition opportunities are not currently captured by Stanwell's Enterprise Risk Management Framework. The following transition opportunities were established in Stanwell's 2023/24 climate-related risk and opportunity assessment and are also reflected in the business' strategic priorities within our 2025/26 Corporate Strategy.

Low warming case

Material opportunity under scenario	Key strategic planning activities	2025/26 financial impact
Provision of renewable energy and firming: For Stanwell, this potential opportunity includes: • Develop a renewable and firming portfolio alongside private sector partners. • Capitalise on innovation opportunities. • Incorporate gas generation in Stanwell's portfolio.	• Invest in Stanwell's coal-fired assets, to generate reliable energy through Stanwell and Tarong power stations while Queensland's energy portfolio shifts. • Partner with the private sector to progress renewable and firming technology, to support the objectives of the Queensland Government's Energy Roadmap 2025. • Deliver Stanwell's pipelines of renewable generation and energy firming projects in line with our portfolio requirements and the principles of the Queensland Government's Energy Roadmap 2025. • In line with government's expectations of Stanwell, investigate dispatchable capacity and firming solutions in partnership with private sector. • Work with Stanwell's retail customers to help them achieve their business goals and energy needs. • Continue to model and analyse the future energy market to better understand both demand and supply requirements. • Innovate through partnerships with industry. • Through the ongoing refinement of Stanwell's Corporate Strategy, drive a culture of innovation.	During FY26, Stanwell progressed climate-related transition opportunities through capital investment, renewable generation, and participation in clean energy markets. Revenue from renewable and storage assets, including wind generation, BESS operations, and LGC creation, is recognised within standard operating revenue streams. Stanwell's insurance premiums continued to reflect external underwriting assessments of the resilience of its assets and risk management practices, providing an independent indicator that climate-related physical risks have not materially affected the insurability of the portfolio. The insurance resilience credit received in FY26 was $842,439.64. $522.2 million of capital expenditure was deployed across the growth and transition portfolio, including renewable generation, battery storage, and firming and system reliability initiatives. Transition-related revenues are not separately disaggregated in statutory reporting, and insurance benefits reflect external assessments rather than internally determined valuations.

Potential future operational impact (residual risk after mitigating factors applied to enterprise climate-related risk) under scenario	Time horizon 2030	2040	2050	Potential future financial impact
Under the NGFS Net Zero 2050 scenario, Stanwell may be positioned to capture opportunities arising from increased renewable energy provision through to 2050 due to an increased need to meet decarbonisation targets. Expanding renewable energy and firming capacity presents a potentially strong opportunity through 2030 and 2040 by supporting revenue growth and market share. By 2050 however, this opportunity becomes limited, as the reference scenario indicates an almost complete market transition to renewables.	✓	✓		Over the medium to long term, Stanwell will continue to investigate dispatchable capacity and firming solutions which may increase the proportion of renewable energy and storage within its portfolio. However, the cost structures and revenue profiles associated with renewable generation and firming differ significantly from the current operating model. These structural differences create challenges in accurately quantifying potential future financial impacts, resulting in the revenue impact currently being unable to be quantified. Potential financial impacts may include increased capital expenditure investment towards renewable energy and firming projects. Any future decisions on material investments in renewables will involve consultation with the Queensland Government and shareholding Ministers to ensure alignment with strategic expectations.

Effects and mitigation of climate-related risks on Stanwell's strategy

Climate-related risk assessments and scenario analysis are inputs into Stanwell's annual Corporate Strategy review and broader strategic planning processes.

During 2025/26, insights from these assessments informed consideration of portfolio development, capital allocation, asset performance, operating costs, insurance availability and long-term asset viability. Climate considerations are incorporated into strategic priorities through risk management, portfolio planning and investment decision-making, while remaining aligned with the Queensland Government's Energy Roadmap 2025 and Stanwell's role as a Queensland Government-owned corporation.

Risk management

Identification and prioritisation

Risk management is fundamental to maximising the value of our business and informing its strategic direction. Stanwell embeds risk management principles and practices into its strategy development and day-to-day business processes to achieve robust and responsible commercial outcomes. Our Enterprise Risk Management Framework recognises climate change as a strategic risk. Stanwell's climate-related risk and opportunity profile is also presented to Stanwell's Audit and Risk Management Committee on an annual basis.

Further information on Stanwell's Enterprise Risk Management Framework is available on page 28 of this report.

Climate-related risks and opportunities are also captured in:

- Natural Hazards Management Plans developed in keeping with *the Security of Critical Infrastructure Act 2018*. These plans are reviewed annually and are used to develop and update Stanwell's preparations to respond to climate risks such as cyclones, flooding, drought and bushfire events;
- Short, medium and long-term climate risks embedded in the Enterprise Risk Management Framework; and
- Annual Corporate Strategy development.

Metrics and targets

Greenhouse gas emissions

Methodology

Consistent with the jurisdictional relief available under AASB S2, Stanwell has prepared its scope 1 and scope 2 emissions disclosures using the National Greenhouse and Energy Reporting (NGER) measurement determination methodologies instead of the Greenhouse Gas Protocol (GHG) methodology. Stanwell has separately considered emissions sources which fall outside the NGER measurement determination but within the scope of the GHG Protocol (e.g. refrigerant fugitive emissions). Starting from its 2026/27 Annual Report, Stanwell will prepare its scope 3 emissions disclosures in alignment with the GHG Protocol measurement methodology.

Across scopes 1, 2 and 3 emissions, Stanwell employs an 'operational control' approach to determine the boundary for emissions assessment. Stanwell accounts for all scope 1 and 2 emissions from sites over which it has operational control.

Operations which fall outside this control (i.e. in which Stanwell has financial but not operational control) are considered within the business scope 3 emissions (to be disclosed from 2026/27).

Stanwell determines scope 1 and scope 2 emissions in accordance with the NGER Scheme and AASB S2 using a combination of the Clean Energy Regulator (CER) prescribed estimation methods, facility-specific operational data, calibrated metering systems, fuel consumption records and accredited laboratory analyses. Reporting boundaries are defined using operational control principles and include all material emissions and energy sources across Stanwell-operated facilities.

Scope 1 emissions are calculated using NGER Methods 1 and 2, including facility-specific coal combustion and mining methodologies, while scope 2 emissions are derived from measured electricity consumption excluding network losses and unaccounted-for energy allocation (UFEA). Emission factors, uncertainty calculations and quality controls are updated annually in line with

CER requirements, with data subject to verification, audit and assurance processes to ensure compliance, accuracy and auditability.

Stanwell discloses its scope 2 emissions on a location-based basis, consistent with the NGER measurement determination. Stanwell does not disclose market-based scope 2 emissions. While Stanwell has entered into power purchase agreements and creates large-scale generation certificates, these contractual instruments have not been applied to calculate a market-based scope 2 figure and therefore do not affect the location-based scope 2 emissions disclosed.

Stanwell does not apply an internal carbon price in its decision-making, transfer pricing or scenario analysis processes.

2025/26 results

In 2025/26, the Stanwell's total gross scope 1 and 2 emissions were calculated as 15.06 $MtCO_2$-e, comprising 14.98 $MtCO_2$-e scope 1 emissions and 0.09 $MtCO_2$-e scope 2 emissions.

Scope 1 emissions	
Site	**tCO_2-e**
Stanwell Power Station	6,318,951
Tarong power stations (includes Tarong North Power Station)	8,568,816
Brisbane office	37
Meandu Mine	89,214
Total	**14,977,018**

Scope 2 (location-based) emissions	
Site	**tCO_2-e**
Stanwell Power Station	5,383
Tarong power stations (includes Tarong North Power Station)	55,534
Brisbane Office	240
Meandu Mine	25,307
Total	**86,464**

In the Directors' opinion:

In the opinion of the directors of Stanwell Corporation Limited (the 'Company'), reasonable steps have been taken to ensure the sustainability report for the consolidated entity set out on pages 33 to 52, are in accordance with *the Corporations Act 2001* (Cth), including:

(a) the requirements contained in Section 296C (compliance with sustainability standards etc.) and Section 296D (climate statement disclosures); and

(b) complying with Australian Accounting Standard AASB S2 Climate-related Disclosures.

This declaration is made in accordance with a resolution of Directors.

For and on behalf of the Board

Justin Parer
Non-executive Director
28 August 2026 Brisbane

Laurie Lefcourt
Non-executive Director
28 August 2026 Brisbane

Queensland
Audit Office
Better public services

INDEPENDENT AUDITOR'S REVIEW REPORT ON SPECIFIED SUSTAINABILITY DISCLOSURES

To the Members of Stanwell Corporation Limited

Review Conclusion

I have conducted a review of the following specified Sustainability Disclosures in the Sustainability Report of Stanwell Corporation Limited's (the Company) and its controlled entities (the group) for the year ended 30 June 2026 as required by Australian Standards on Sustainability Assurance ASSA 5010 *Timeline for Audits and Reviews of Information in Sustainability Reports under the Corporations Act 2001* issued by the Auditing and Assurance Standards Board (AUASB):

Sustainability Disclosures	Reporting requirement of Australian Sustainability Reporting Standard AASB S2 *Climate-related Disclosures* (AASB S2) (including related general disclosures required by Appendix D)	Location in Sustainability Report
Governance	Paragraph 6	Section "Governance"
Strategy (risk and opportunities)	Subparagraphs 9(a), 10(a) and 10(b)	Section "Climate-related risks and opportunities", subsection "Climate-related risks and opportunities"
Scope 1 and 2 emissions	Subparagraphs 29(a)(i)(1) to (2) and 29(a)(ii) to (v)	Section "Metrics and targets"

The requirements of AASB S2 identified in the table above form the criteria relevant to the specified Sustainability Disclosures and apply under Division 1 of Part 2M.3 of the *Corporations Act 2001.*

I have not become aware of any matter in the course of my review that makes me believe that the specified Sustainability Disclosures in the table above do not comply with Division 1 of Part 2M.3 of the *Corporations Act 2001.*

Basis for Conclusion

I conducted my review in accordance with the *Auditor-General Auditing Standards*, which incorporate the Australian Standard on Sustainability Assurance ASSA 5000 *General Requirements for Sustainability Assurance Engagements* (ASSA 5000) issued by the AUASB. My review includes obtaining limited assurance about whether the specified Sustainability Disclosures are free from material misstatement.

In applying the relevant criteria, I note that subsection 296C(1) of *the Corporations Act 2001* includes a requirement to comply with AASB S2.

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My conclusion is based on the procedures I have performed and the evidence I have obtained in accordance with ASSA 5000. The procedures in a review vary in nature and timing from, and are less in extent than for, an audit. Consequently, the level of assurance obtained in a review is substantially lower than the assurance that would have been obtained had an audit been performed. See the 'Summary of the Work Performed' section of my report below.

My responsibilities under ASSA 5000 are further described in the *Auditor's responsibilities* section of my report.

I am independent of the Group in accordance with the applicable ethical requirements of APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) together with the ethical requirements in the *Corporations Act 2001*, that are relevant to my review of the specified Sustainability Disclosures.

I have also fulfilled my other ethical responsibilities in accordance with these requirements, the Code and the *Auditor-General Auditing Standards*.

The *Auditor-General Auditing Standards* incorporates a system of quality management, guided by the Australian Auditing Standards on quality management. This includes implementing and operating policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

I believe that the evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

Other Information

The directors of the Company are responsible for the other information.

The other information comprises the information included in the company's annual report for the year ended 30 June 2026 but does not include the specified Sustainability Disclosures and my auditor's report thereon.

The other information comprises the director's report and general-purpose financial statements which we obtained prior to the date of this auditor's report and the Annual report, which is expected to be made available to us after that date.

My conclusion on the specified Sustainability Disclosures does not cover the other information and accordingly I do not express any form of assurance conclusion thereon. However as required by the Auditor-General Act 2009 and the Corporations Act 2001, I have formed a separate opinion on the general-purpose financial statements.

In connection with my review of the specified Sustainability Disclosures, my responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the specified Sustainability Disclosures, or my knowledge obtained when conducting the review, or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

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Preparation of the Sustainability report

Responsibilities of the directors for the specified Sustainability Disclosures

The directors of the Company are responsible for:

- the preparation of the specified Sustainability Disclosures in accordance with the *Corporations Act 2001*; and
- designing, implementing and maintaining such internal control necessary to enable the preparation of the specified Sustainability Disclosures, in accordance with the *Corporations Act 2001* that are free from material misstatement, whether due to fraud or error.

The directors' inherent limitations in preparing the Sustainability Report

The following matters describe inherent limitations associated with certain sustainability disclosures included in the Sustainability Report. These limitations arise from the nature of the reporting framework and the methods, assumptions, estimates and judgements used by the directors in preparing that information.

The Sustainability Report contains forward looking information-relating to future events and conditions. These are inherently uncertain and may not occur as anticipated, or at all. We do not provide assurance on the extent to which this prospective information will be achieved.

The Sustainability Report outlines that greenhouse gas emissions quantification is subject to significant measurement uncertainty, which arises because of the estimation and complexity to calculate, including application of activity data and emissions factors. The comparability of sustainability information between entities and over time may be affected by inconsistencies to estimate the measurement of those emissions, due to different, but acceptable, methods applied.

Auditor's responsibilities

My objectives are to plan and perform the review to obtain limited assurance about whether the specified Sustainability Disclosures are free from material misstatement, whether due to fraud or error, and to issue a review report that includes my conclusion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence decisions of users taken on the basis of the specified Sustainability Disclosures.

As part of the review in accordance with ASSA 5000, I exercise professional judgement and maintain professional scepticism throughout the engagement. I also:

- Perform risk assessment procedures, including obtaining an understanding of internal control relevant to the engagement, to identify and assess the risks of material misstatements, whether due to fraud or error, at the disclosure level but not for the purpose of providing a conclusion on the effectiveness of the entity's internal control.
- Design and perform procedures responsive to assessed risks of material misstatement at the disclosure level. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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A further description of my responsibilities under the *Auditor-General Act 2009* and *Auditor-General Auditing Standards* is located at the Queensland Audit Office website at: www.qao.qld.gov.au/audit-program/audit-standards.

These descriptions form part of my auditor's report.

Summary of the Work Performed

A review is a limited assurance engagement and involves performing procedures to obtain evidence about the specified Sustainability Disclosures. The nature, timing and extent of procedures selected depend on professional judgement, including the assessed risks of material misstatement at the disclosure level, whether due to fraud or error.

The procedures I performed included, but were not limited to, the following:

- Enquired with relevant management personnel to understand management's materiality assessment process, the internal controls, governance structure, methodologies, assumptions, judgements, and reporting process for the presentation of the specified Sustainability Disclosures.
- Obtained an understanding of the processes and information flows related to the specified Sustainability Disclosures.
- Reviewed internal documentation including, charters, minutes of board and committee meetings, risk management frameworks, relevant technical papers, and records supporting the specified Sustainability Disclosures.
- Assessed the appropriateness of the reporting boundaries applied by obtaining an understanding of the group's activities and organisational structure.
- Assessed the appropriateness of management's process for identifying and assessing climate-related risks and opportunities, including through inquiries of relevant personnel and inspection of supporting documentation.
- Performed analytical procedures to evaluate the reasonableness of Scope 1 and 2 emissions.
- Considered the presentation and disclosure of selected information in the specified Sustainability Disclosures against the requirements of AASB S2 *Climate-related Disclosures*.

I Asim

28 August 2026

Irshaad Asim
as delegate of the Auditor-General

Queensland Audit Office
Brisbane

FINANCIAL RESULTS

General information

The financial statements cover the consolidated entity consisting of Stanwell Corporation Limited and the entities it controlled at the end of, or during, the year. The financial statements are presented in Australian dollars, which is Stanwell Corporation Limited's functional and presentation currency.

Stanwell Corporation Limited is a company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business are: Stanwell Corporation Limited,L2, 180 Ann Street, Brisbane QLD 4000.

A description of the nature of the consolidated entity's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 28 August 2026. The directors have the power to amend and reissue the financial statements.

DIRECTORS' REPORT

The directors present their report on the consolidated entity consisting of Stanwell Corporation Limited and its subsidiaries (together, referred to as the 'Group') as at the end of the 2025/26 financial year.

Principal activities

The Group's principal activities during the 2025/26 financial year were the operation of its energy portfolio, which includes the origination, generation, trading and retail of electricity and electricity-related products.

Dividends – Stanwell Corporation Limited

The directors resolved not to declare a final dividend for the 2026 financial year (2025: $335.9 million).

Year in review

Financial performance

The Group delivered a net loss after tax of $414.7 million (2024/25: net profit after tax of $429.2 million) for the year ended 30 June 2026. In 2025/26, the Group recorded a number of significant non-cash accounting adjustments relating to fair value assessments on Coronado related balances and the MacIntyre Wind Farm Power Purchase Agreement.

The Group remains financially strong and able to meet all its obligations, and its financial results demonstrate that the fundamentals of the business are robust.

National Electricity Market

The National Electricity Market (NEM) remained resilient to price volatility during 2025/26 amid heightened global energy market uncertainty and ongoing structural changes, including the continued expansion of renewable generation and rapid uptake of household batteries.

Global energy markets were affected by disruptions in the Middle East, particularly the closure of the Strait of Hormuz. However, AEMO reported limited impacts on domestic electricity and gas supplies, supported by strong gas availability, full gas storage levels and a significant increase in renewable generation and battery storage compared to the similar events in 2022 which led to record high energy prices.

While renewable generation and energy storage continued to expand, dispatchable generation remained essential to system reliability and security. In Queensland, coal-fired power stations continued to provide a reliable source of firm generation, consistent with the Queensland Energy Roadmap's commitment to operate publicly owned coal assets to the end of their technical lives.

Growth in grid-scale batteries, household batteries and rooftop solar increased system flexibility and contributed to managing peak demand and providing downward pressure on energy prices. Queensland maintained relatively moderate wholesale electricity prices compared to other NEM regions.

The growing participation of consumers, industry and flexible demand-side resources is reshaping market dynamics and creating new opportunities and challenges, reinforcing the importance of maintaining a balanced generation portfolio.

Strategy

Stanwell continually monitors and models the political, technical, social, environmental, regulatory, economic and market factors that influence our operating environment.

We use this information to consider how best to position the business for success in the short, medium and long term.

In 2025/26, Stanwell refreshed our corporate strategy to respond to the challenges and opportunities ahead, in support of the Queensland Government's Energy Roadmap released in October 2025.

At the centre of our strategy is a new purpose: *Energising Queensland's prosperity*.

As a Queensland government-owned corporation, we balance what Queenslanders need today with what the State will need in the future.

Delivering on that purpose means focusing on three strategic goals:

1. Reliable energy for today
2. The energy portfolio Queensland needs for the future
3. Outcomes for our people and communities.

We continue to reflect on and adapt our corporate strategy as the external environment changes, aligning with shareholder expectations and energy policy.

Strategy delivery

During 2025/26, the Group achieved several important milestones in delivering our Corporate Strategy.

Key strategic achievements include:

- Meeting all 2025/26 EMG KPIs across the four categories of personal safety, process safety, operational performance and maintenance investment.
- Achieving one of the highest reliability performances of any energy provider in the NEM, with our assets operating at 99.1 per cent reliability during 2025/26 (2024/25: 98.3 per cent).
- Sending out 15,375 GWh of energy, representing around 31 per cent of Queensland's total generation.
- Undertaking regular planned maintenance and major overhauls – including statutory maintenance at Tarong North Power Station, Tarong Power Station Unit 1 and the Meandu Mine dragline – to ensure the required level of reliability to support Queensland's energy requirements.
- Progressing our pipeline of renewable energy and firming projects, with more than 2.6 GW of renewable and gas projects advancing through private sector partnerships and more than 2.8 GW of BESS capacity in operation, under construction or under development.
- Reaching a significant employee relations milestone with the approval of the Stanwell Power Station Enterprise Agreement, supported by a strong employee vote and approved by the Fair Work Commission, providing certainty for employees and the business to February 2029.

REVIEW OF OPERATIONS

Electricity Maintenance Guarantee

In accordance with the EMG, Stanwell prioritises the financial and non-financial performance of our existing portfolio of thermal generation assets to provide safe, secure and reliable electricity supply.

Stanwell reports against EMG KPIs to provide assurance to the government on asset maintenance across publicly owned electricity generation assets.

The Stanwell Board has a policy of no performance payments for the Chief Executive and senior executives if the full-year EMG KPIs are not achieved.

Stanwell achieved all 2025/26 KPIs across the four categories of personal safety, process safety, operational performance and maintenance investment.

Safety

Stanwell strives to lead best practice safety management, driving proactive safety initiatives and advancing a strong safety culture across the business.

In 2025/26, the Group continued to embed its *Safe Today. Better Tomorrow.* safety vision.

The Group's focus on safety resulted in a decrease in our total recordable injury frequency rate to 4.31 (2024/25: 5.20).

Stanwell also proactively supports health and wellbeing through our Health and Wellbeing Strategy.

Plant

In 2025/26, our generation portfolio achieved an average reliability factor of 99.1 per cent (2024/25: 98.3 per cent) and availability of 87.4 per cent (2024/25: 88.7 per cent).

The high reliability of the Stanwell and Tarong power stations means our assets can generate as and when the NEM requires, putting downward pressure on price.

Combined, the Stanwell and Tarong power stations sent out 15,375 GWh of energy in 2025/26 (2024/25: 17,096 GWh).

The Group undertakes regular maintenance and major overhauls at our generating units to ensure the reliability required to support Queensland's energy requirements.

In 2025/26, Stanwell invested more than $261.6 million (2024/25: $253.6 million) in sustaining capital at our power stations to improve efficiency and maintain performance, including major overhauls at Tarong North Power Station, Tarong Power Station Unit 1 and the Meandu Mine dragline.

Fuel

Coal for the Tarong power stations is supplied by our Meandu Mine. Coal for Stanwell Power Station is supplied by Curragh Mine under an agreement with Coronado Curragh Pty Ltd.

In November 2025, Stanwell amended its coal supply arrangements with Coronado to provide near- and long-term liquidity support, securing coal supply for Stanwell Power Station to 2043. The new agreement provides greater flexibility to nominate Curragh Mine coal volumes in response to its generation requirements and market conditions.

Stanwell also completed a competitive tender process for the Meandu Mine Services Agreement, with Golding Contractors Pty Ltd (Golding) commencing operations from 1 July 2026 following a carefully managed transition from BUMA Australia Pty Ltd. Golding's appointment supports continuity of operations, workforce stability and long-term, relatively low-cost coal supply for the Tarong power stations.

During 2025/26, global energy markets were affected by disruptions in the Middle East, including the closure of the Strait of Hormuz.

Stanwell responded by closely monitoring global fuel market developments, fuel supply risks and trading conditions, while maintaining the availability of our dispatchable generation portfolio to support reliable supply for Queensland customers.

Culture and community

Equity, diversity and inclusion

In 2025/26, Stanwell launched our refreshed Equity, Diversity and Inclusion Strategy, focused on gender equity, LGBTQIA+ inclusion, disability inclusion and reconciliation.

The strategy supports the Board's focus on building a safe, respectful and inclusive culture, recognising that diverse perspectives, inclusive leadership and a strong sense of belonging help improve decision-making, engagement and performance across the business.

During the year, Stanwell continued to make progress against our inclusion and diversity priorities. The Group maintained a gender pay gap below the electricity generation industry benchmark, increased the proportion of women in technical and trade roles to more than 10 per cent for the first time, and partnered with specialist organisations including Pride in Diversity and the Australian Disability Network to guide future inclusion activities.

Stanwell continued to strengthen reconciliation and First Nations engagement, including through the development of our Innovate Reconciliation Action Plan and the establishment of a new governance structure that supports respectful relationships, cultural capability and practical opportunities for First Nations students, businesses and communities.

These actions are creating a workplace that better reflects the communities in which Stanwell operates. They support the culture required to deliver reliable energy for today, build the portfolio Queensland needs for the future and achieve positive outcomes for our people and communities.

Communities

In 2025/26, Stanwell continued to strengthen our relationships with communities across the regions where we operate and have interests in new energy projects.

The Group's social investment programs supported local organisations, events and initiatives that contribute to community resilience, education and training, health and wellbeing, First Nations engagement, domestic and family violence prevention, youth infrastructure, arts and culture, and sport.

Our community investment included support through the Tarong and Central Queensland community partnership and sponsorship programs, the South Burnett Resilience Fund, the First Nations Sponsorship Fund and the Wambo Wind Farm Community Benefit Fund, which we administer on behalf of the joint venture with Cubico Sustainable Investments.

These programs helped deliver practical, community-led outcomes, including support for youth infrastructure in the South Burnett, priority projects in Central Queensland and local initiatives in Jandowae and surrounding areas.

The Board recognises that strong community relationships and social licence are critical to our ability to operate responsibly, maintain trust and deliver long-term value for Queensland.

During the year, Stanwell continued to build our social licence capability by engaging with local government, landholders, community members and industry stakeholders. By listening to communities, adapting where possible and investing in local priorities, Stanwell is strengthening the foundations for responsible operations, future project development and enduring regional partnerships.

Climate disclosures

Our enterprise risk management framework recognises climate change as a strategic risk to our business and communities. In line with mandatory Commonwealth reporting requirements, Stanwell completed our first Climate Disclosure Report during 2025/26, including analysis of climate-related risks and opportunities and their potential financial impacts under different climate scenarios.

Matters subsequent to the end of the year

No matter or circumstance has arisen since 30 June 2026 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Directors

The following persons were directors of the Group during the 2025/26 financial year and up to the date of this report:

- Justin Parer (term commenced 30 October 2025)
- Michael Anastas (term commenced 14 August 2025)
- Kirsty Chessher-Brown (term commenced 14 August 2025)
- Rachel Condos-Fields (term commenced 14 August 2025)
- Laurie Lefcourt (term commenced 1 June 2024)
- Howard Morrison (term commenced 1 October 2023)
- Rachael Cronin (term commenced 14 August 2025)
- Paul Binsted (term ended 30 October 2025)
- Marianna O'Gorman (term ended 14 August 2025)
- Jane Schmitt (term ended 14 August 2025)
- John Thompson AM (term ended 14 August 2025)

Justin Parer
Independent Non-Executive Chair and Director
Member Audit and Risk Management Committee
Member People and Safety Committee

Term of appointment: 30 October 2025 to 31 May 2029

Mr Parer has more than 30 years of experience in business operations and infrastructure development. He commenced his career at Ernst & Young, where he worked in tax, corporate advisory and audit services while gaining his qualifications as a Chartered Accountant. In 2000, he became the owner-operator of a small ship repair facility, which he grew over the next two decades into one of Australia's leading independent commercial service providers.

After commissioning and installing the world's largest mobile boat hoist in Cairns, he successfully exited the operating business in 2020. Throughout this time, he has had ongoing exposure to critical infrastructure projects and government investments in the maritime, defence and energy sectors.

Mr Parer was previously Deputy Chair of Ports North, a Queensland Government-owned corporation (GOC) responsible for nine regional and remote ports in Far North Queensland.

Michael Anastas
LLB/BBus, GradDipAppFin, GIA Affiliated, F Fin
Independent Non-Executive Director
Member of Audit & Risk Management Committee

Term of Appointment: 14 August 2025 to 31 May 2028

Mr Anastas is a partner at HWLE Lawyers specialising in governance and regulatory matters for banks and other financial institutions.

Mr Anastas is a previous chair and current member of the Queensland Law Society Banking and Financial Services Committee, a member of the Law Council of Australia Financial Services Committee and a member of the ASIC Queensland Regional Liaison Committee. He is a past president and current councillor of the Greek Orthodox Community of St George, Brisbane – an organisation providing church and community care services, The Greek Club and Paniyiri Greek Festival – and a board member of GOC Care.

Mr Anastas is a fellow of the Financial Services Institute of Australia and a member of the Governance Institute of Australia.

Kirsty Chessher-Brown
BenvMan (Sust. Dev) Hons. 1A, MSc (Cons. Biol.), GradCert UrbPlan, GAICD
Independent Non-Executive Director
Member of People & Safety Committee

Term of Appointment: 14 August 2025 to 31 May 2028

Ms Chessher-Brown has extensive experience in strategic and stakeholder management, particularly in the property sector. She has held the role of CEO of the Urban Development Institute of Australia (Queensland), the property industry's peak body, for the past eight years.

Ms Chessher-Brown has previously held roles in research, advocacy and sustainability and has significant experience in the review, creation and positioning of public policy across a range of disciplines and three levels of government. She has a strong interest in financial management, investments, risk and strategy.

Ms Chessher-Brown is a graduate of the Australian Institute of Company Directors.

Rachel Condos-Fields
GAICD, GradCertFinServ, DipFinServ, AdvDip Japan
Independent Non-Executive Director
Member of People & Safety Committee

Term of appointment: 14 August 2025 to 31 May 2028

Mrs Condos-Fields is an accomplished senior executive with extensive experience across professional services, fintech, not-for-profit, and sport. Her career spans a range of leadership roles, including senior management positions at Computershare (ASX:CPU), where she provided strategic support, shareholder services, board counsel and regulatory guidance to some of Australia's largest listed companies.

She currently serves as chair and non-executive director of American Football Victoria, is a previous director of World Youth International and has held board positions in the education, community, and sport sectors.

In addition to her governance roles, Mrs Condos-Fields is the Founder and CEO of WattleNest Pty Ltd, where she leads initiatives that connect business, community, and sport removing affordability barriers to bridge the gap between ability and opportunity. In the 2026 King's Birthday Honours Mrs Condos-Fields received the Medal of the Order of Australia (OAM) for service to youth and to the community.

Rachael Cronin
LLB, BCom, MBA
Independent Non-Executive Director
Member of Audit & Risk Management Committee

Term of Appointment: 14 August 2025 to 31 May 2028

Ms Cronin is a senior executive and independent non-executive director with a strong background spanning the energy, gas, resources, education and government sectors. She is widely recognised for her expertise in public policy, regulatory approvals, government and stakeholder relations, corporate strategy and governance.

Ms Cronin has held a number of executive roles, including Deputy Director General for Mineral and Energy Resources with the Queensland Government and Vice President for Safety, Sustainability and People at Arrow Energy. Her experience covers both private and public sector organisations, and she has served as a non-executive director on a number of boards for more than six years.

Laurie Lefcourt
FCA, GAICD
Independent Non-Executive Director
Chair of the Audit & Risk Management Committee

Term of appointment: 1 June 2024 to 31 May 2028

Ms Lefcourt has an extensive background in financial, strategic and risk management, particularly in the resources, construction and infrastructure sectors. She has held senior management and executive roles across Rio Tinto, Queensland Rail, Sinopec Oil and Gas and Wiggins Island Coal Terminal. She is the founder of Sage Strategies Pty Ltd, a boutique consulting firm specialising in strategy and risk management, finance team mentoring and coaching.

Ms Lefcourt has been a non-executive director for the past eight years and currently serves on the boards of Acrow Ltd (ASX:ACF), Elevra (ASX:ELV) and Capral Limited (ASX:CAA), chairing the Audit and Risk Committees for each.

Ms Lefcourt is a fellow of Chartered Accountants Australia and New Zealand and a graduate of the Australian Institute of Company Directors.

Howard Morrison
B.ENG (Elect)
Independent Non-Executive Director
Chair of People & Safety Committee

Term of appointment: 1 October 2023 to 30 September 2027

Mr Morrison's experience spans 40 years in the electricity industry as an employee and later as a consultant. He has held a variety of senior engineering and managerial roles in the energy generation sector, with accountabilities ranging from asset responsibility and technical service provision through to asset portfolio management and general management. Mr Morrison has held positions on joint venture management committees and board of director positions at various research organisations, and has provided consulting services to the energy, mining and health sectors.

Mr Morrison has been a member of working groups sponsored by the Federal Government on the cost of new generation technologies, as well as industry technical reference panels for the Queensland Government and the Australian Energy Market Operator, and Australian delegations to the Carbon Sequestration Leadership Forums in Paris and Oslo.

He has presented lectures at the University of Queensland in Generator Inspection and Maintenance as part of the Masters in Power Generation Engineering.

Information on Officers

The following persons were officers of the Group during the 2025/26 financial year and up to the date of this report:

- Michael O'Rourke - Chief Executive Officer
- Catherine Cook - Chief Financial Officer
- James Oliver - Chief Operating Officer
- Glenn Smith - Executive General Manager Business Services (retired 31 March 2026)
- Sophie Naughton - Executive General Manager Business Services (formerly Executive General Manager Energy Trading until 28 February 2026)
- Richard Jeffery – Executive General Manager Growth and Future Energy (formerly Executive General Manager Strategic Partnerships until 28 February 2026)
- Steve Quilter - Executive General Manager Energy Markets (formerly Executive General Manager Growth and Future Energy until 28 February 2026).
- Karen Buckley – Company Secretary (retired 27 March 2026)
- Serena Niblock - Company Secretary (Interim Company Secretary from 27 March 2026, and formally appointed on 1 June 2026)

Michael O'Rourke
LLB, BCom, GDip AppFin, GDip CSA
Chief Executive Officer

As Chief Executive Officer, Michael leads the Stanwell team in leveraging our existing energy portfolio to provide reliable energy for today while we work with partners to develop the energy solutions Queensland will need in the future.

Michael brings a deep understanding of the energy industry, complemented by a strong focus on commercial outcomes and safety. During his time at Stanwell, he has held several executive positions, including Chief Financial Officer, Executive General Manager roles across Trading, Strategy and Corporate Services, and General Counsel and Company Secretary.

Michael's broad experience positions Stanwell well to meet current and emerging challenges in the energy industry.

Appointed: 2021
Joined Stanwell: 1998

Steve Quilter
BEng (Mech), MBA
Executive General Manager Energy Markets

As Executive General Manager, Energy Markets, Steve leads our trading and energy market activities, including energy market analytics and modelling, short-term and strategic market positioning, retail, and regulatory compliance and market policy strategy.

Steve has more than 30 years' experience in the energy sector across Queensland and New South Wales. Prior to this role, he was Executive General Manager, Growth and Future Energy, where he was responsible for the development and delivery of our diversified generation and energy storage portfolio. He has also held the position of Power Station Manager and General Manager of our gas and hydro portfolio.

Appointed: 2026
Joined Stanwell: 2012

Sophie Naughton
BA/LLB, GDipEd, GAICD
Executive General Manager Business Services

As Executive General Manager, Business Services, Sophie leads our business services functions, including business strategy development, information technology and business systems, legal, people and culture, and community and stakeholder engagement.

Sophie brings deep experience across our commercial, corporate and energy market operations. Prior to this role, she was Executive General Manager, Energy Markets, where she led our trading and energy market activities, including Stanwell Energy Solutions, retailing to commercial and industrial customers. Earlier, she held senior leadership roles across business services and corporate strategy.

Appointed: 2026
Joined Stanwell: 2011

James Oliver
MBA, BE (Mech) Hons 1, MIEAust, CPEng, NER, RPEQ, IntPE (Aus), GAICD
Chief Operating Officer

James leads our operations, providing direction to the Operations Leadership Team and the broader business. He is accountable for asset strategy, operational performance and risk management, ensuring the delivery of our short and long-term objectives.

James has held a range of senior leadership roles across the organisation, including General Manager Operational Excellence, Site Manager – Stanwell Power Station, Production Manager and Engineering Manager.

Appointed: 2019
Joined Stanwell: 2003

Catherine Cook
BBus (ProfAcc), MCommLaw, CA, GAICD
Chief Financial Officer

As Chief Financial Officer, Catherine leads our corporate finance function, including group finance, tax and treasury; procurement and supply; quantitative risk and analytics; insurance; financial planning and analysis; and growth and operations finance business partnering and enterprise services.

Her role includes developing and executing strategic outcomes, ensuring strong financial and commercial acumen and governance, and adapting our systems and processes to support a complex and evolving energy market. Prior to joining Stanwell, Catherine was Deputy Chief Financial Officer at Thiess, a global mining services provider. She holds a Bachelor of Business (Professional Accounting) and a Master of Commercial Law, and is a Chartered Accountant.

Appointed: 2022
Joined Stanwell: 2022

Richard Jeffery
BA, CGMA
Executive General Manager Growth and Future Energy

As Executive General Manager, Growth and Future Energy, Richard is accountable for the development, delivery and oversight of our gas, storage and renewable energy pipeline, supporting changes to our future portfolio in line with our strategy and the Queensland Energy Roadmap.

Richard is a commercial manager and people leader with extensive experience across the energy, resources and heavy industry sectors. Prior to this role, he was Executive General Manager, Strategic Partnerships, where he worked across the business to develop and communicate our commercial and sustainability strategies and foster key partnerships to support their delivery.

Appointed: 2026
Joined Stanwell: 2007

Serena Niblock
AssocDegLaw (Paralegal), GIA(Affiliated)
Company Secretary

Serena was appointed Company Secretary on 1 June 2026, having served as Interim Company Secretary from 27 March 2026. She has extensive experience in corporate governance, board and committee administration, statutory compliance and corporate records management, gained through a range of governance and secretariat roles at Stanwell.

Appointed: 2026
Joined Stanwell: 2007

Meetings of Directors

The number of meetings of the Company's Board of directors and of each Board committee held during the 2025/26 financial year, and the number of meetings attended by each director, were as follows:

Meeting attendance

	Board		People & Safety Committee		Audit & Risk Management Committee	
	A	B	A	B	A	B
Paul Alexander Binsted (Chair)[1]	3	3	N/A	N/A	1	1
Laurie Jean Lefcourt	9	9	N/A	N/A	4	4
Justin John Parer (Chair)[2]	6	6	1	1	2	2
Michael-Angelo Philip Anastas[3]	8	8	N/A	N/A	3	3
Kirsty Joy Chessher-Brown[3]	8	7	2	2	N/A	N/A
Rachael Anne Cronin[3]	8	8	N/A	N/A	3	3
Rachel Marie Condos-Fields[3]	8	8	2	2	N/A	N/A
Marianna Clare O'Gorman[4]	1	1	1	1	0	0
Howard Morrison	8	8	2	2	N/A	N/A
Jane Elizabeth Schmitt[4]	1	0	1	1	N/A	N/A
John Murray Thompson[4]	1	1	1	1	N/A	N/A

1. Term ended 30 October 2025
2. Term commenced 30 October 2025
3. Term commenced 14 August 2025
4. Term ended 14 August 2025

A = Meetings held whilst a Director
B = Number of meetings attended during the time the director held office or was a member of a committee

In addition to the above, during the 2025/26 financial year, the Board held a corporate strategy workshop and received briefings on various topics including systems of national significance, battery optimisation, director and officer due diligence, and legislative and regulatory updates. The Board also undertook Modern Slavery refresher training.

The Board also attended Stanwell's operating sites to undertake due diligence on our safety systems and processes.

Indemnification and insurance of Officers

Indemnification and insurance

In accordance with its Constitution, the Group has entered into a standard form Deed of Access, Insurance and Indemnity with the current directors of the Group to indemnify them to the maximum extent permitted by law against all liabilities which they may incur in the performance of their duties as directors of the Group, except for a liability for a pecuniary penalty order or a compensation order under the *Corporations Act 2001 (Cth*). The indemnity is made available to current and former directors of the Group for a period of seven years from the date of their resignation.

To the extent permitted by law, the indemnity covers liability for legal costs. In accordance with the standard form Deed of Access, Insurance and Indemnity referred to above, the Group has, during the 2025/26 financial year, paid an insurance premium in respect of the directors and executive officer of the Group. In accordance with normal commercial practice, the insurance contract prohibits disclosure of the nature, or the liability covered by, or the amount payable under, the contract of insurance. No claims have been made by any director or officer of the Group pursuant to these indemnities.

Auditor's Independence Declaration

A copy of the auditor's independence declaration, as required under section 307C of the *Corporations Act 2001 (Cth)*, is set out on page 68.

Rounding of amounts

The Company is of a kind referred to in Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to the 'rounding off' of amounts in the Directors' report. Amounts in the Directors' report have been rounded off, in accordance with that Instrument, to the nearest thousand dollars or, in certain cases, to the nearest dollar. This report is made in accordance with a resolution of Directors.

Justin Parer
Chair

Laurie Lefcourt
Director

AUDITOR'S INDEPENDENCE DECLARATION

AUDITOR'S INDEPENDENCE DECLARATION

To the Directors of Stanwell Corporation Limited

This auditor's independence declaration has been provided pursuant to s. 307C of the *Corporations Act 2001.*

Independence declaration

As lead auditor for the audit of Stanwell Corporation Limited's financial report for the year ended 30 June 2026, and lead auditor of Stanwell Corporation Limited's sustainability report for the year ended 30 June 2026, I declare that, to the best of my knowledge and belief, there have been:

(a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit of the financial report or the review of the sustainability report.

(b) no contraventions of any applicable code of professional conduct in relation to the audit of the financial report or of the review of the sustainability report.

This declaration is in respect of Stanwell Corporation Limited and the entities it controlled during the period.

IAsim

Irshaad Asim
as delegate of the Auditor-General

28 August 2026

Queensland Audit Office
Brisbane

FINANCIAL STATEMENTS

Consolidated statement of profit or loss and other comprehensive income For the year ended 30 June 2026

		Consolidated	
	Note	2026 $'000	2025 $'000
Revenue and other income	2	3,173,199	3,377,924
Finance income	2	69,327	75,225
Expenses			
Electricity and energy services expense		(1,358,558)	(1,558,030)
Fuel costs		(425,112)	(436,467)
Raw materials and consumables used		(102,288)	(80,419)
Employee benefits expense		(228,716)	(210,032)
Depreciation and amortisation expense	3	(270,134)	(195,761)
Other expenses		(327,004)	(236,174)
Finance costs	3	(96,982)	(65,548)
Expected credit loss (expense)/reversal on receivables	8, 12	117,155	(117,252)
Loss arising from the renegotiation of supply contract	8	(661,559)	(32,192)
Impairment reversal	3	-	411,628
Non hedge accounted change in fair value of derivative instruments		(492,083)	(300,151)
Profit/(loss) before income tax equivalent (expense)/benefit		**(602,755)**	**632,751**
Income tax equivalent (expense)/benefit	22	188,091	(203,519)
Profit/(loss) after income tax equivalent (expense)/benefit for the year		**(414,664)**	**429,232**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurement of retirement benefit obligation		4,152	(3,474)
Income tax equivalent relating to these items	22	(1,246)	1,042
Items that may be reclassified to profit or loss			
Net change in fair value of cash flow hedges		592,981	338,072
Income tax equivalent relating to these items	22	(177,894)	(101,422)
Other comprehensive income for the year, net of tax		417,993	234,218
Total comprehensive income for the year		**3,329**	**663,450**

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

Consolidated balance sheet

As at 30 June 2026

		Consolidated	
	Note	2026 $'000	2025 $'000
Assets			
Current assets			
Cash and cash equivalents	4	143,565	57,588
Current receivables	5	250,737	674,208
Inventories	6	274,472	174,883
Other current assets	7	29,415	152,244
Derivative financial instruments	13	768,010	319,391
Total current assets		**1,466,199**	**1,378,314**
Non-current assets			
Non-current receivables	8	150,000	480,200
Derivative financial instruments	13	456,564	556,121
Property, plant and equipment	9	3,924,411	3,382,198
Intangibles	10	121,034	116,080
Exploration and evaluation		5,397	5,997
Deferred tax equivalent assets	22	125,442	-
Retirement benefit surplus	11	13,491	10,080
Loans receivable	12	357,807	-
Other non-current assets		294	5,817
Total non-current assets		**5,154,440**	**4,556,493**
Total assets		**6,620,639**	**5,934,807**
Liabilities			
Current liabilities			
Trade and other payables	14	305,185	341,275
Current borrowings	18	48,432	44,878
Derivative financial instruments	13	608,541	488,574
Current tax liabilities	22	13,863	13,033
Current provisions	15	82,067	417,457
Other current liabilities	16	66,561	21,434
Total current liabilities		**1,124,649**	**1,326,651**
Non-current liabilities			
Non-current borrowings	19	1,932,450	1,184,924
Derivative financial instruments	13	641,234	616,443
Deferred tax equivalent liabilities	22	-	4,540
Non-current provisions	17	569,964	516,264
Other non-current liabilities		3,163	3,163
Total non-current liabilities		**3,146,811**	**2,325,334**
Total liabilities		**4,271,460**	**3,651,985**
Net assets		**2,349,179**	**2,282,822**
Equity			
Contributed equity	20	1,885,507	1,821,569
Transactions with owners		(13,084)	(13,084)
Cash flow hedge reserve	13	291,802	(122,375)
Retained earnings		184,954	596,712
Total equity		**2,349,179**	**2,282,822**

The above consolidated balance sheet should be read in conjunction with the accompanying notes.

Consolidated statement of changes in equity

For the year ended 30 June 2026

Consolidated	Contributed equity	Transactions with owners	Cash flow hedge reserve	Retained earnings	Total equity
	$'000	$'000	$'000	$'000	$'000
Balance at 1 July 2024	1,289,946	(13,084)	(359,126)	505,812	1,423,548
Profit after income tax equivalent expense for the year	-	-	-	429,232	429,232
Other comprehensive income for the year, net of tax	-	-	236,650	(2,432)	234,218
Total comprehensive income for the year	-	-	236,650	426,800	663,450
Transfer of cash flow hedge reserve to property, plant and equipment, net of tax	-	-	101	-	101
Transactions with owners in their capacity as owners:					
Contributions of equity, net of transaction costs (note 20)	531,623	-	-	-	531,623
Dividends paid (note 21)	-	-	-	(335,900)	(335,900)
Balance at 30 June 2025	1,821,569	(13,084)	(122,375)	596,712	2,282,822

Consolidated	Contributed equity	Transactions with owners	Cash flow hedge reserve	Retained earnings	Total equity
	$'000	$'000	$'000	$'000	$'000
Balance at 1 July 2025	**1,821,569**	**(13,084)**	**(122,375)**	**596,712**	**2,282,822**
Loss after income tax equivalent benefit for the year	-	-	-	(414,664)	(414,664)
Other comprehensive income for the year, net of tax	-	-	415,087	2,906	417,993
Total comprehensive income for the year	-	-	415,087	(411,758)	3,329
Transfer of cash flow hedge reserve to property, plant and equipment, net of tax	-	-	(910)	-	(910)
Transactions with owners in their capacity as owners:					
Contributions of equity, net of transaction costs (note 20)	63,938	-	-	-	63,938
Balance at 30 June 2026	**1,885,507**	**(13,084)**	**291,802**	**184,954**	**2,349,179**

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Consolidated statement of cash flows

For the year ended 30 June 2026

		Consolidated	
	Note	**2026 $'000**	**2025 $'000**
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		3,211,279	3,950,213
Payments to suppliers and employees (inclusive of GST)		(2,686,795)	(2,892,565)
Return of collateral		108,340	25,855
Interest received		29,459	18,075
Interest paid		(76,957)	(51,667)
Income tax equivalents received/ (paid)		(119,811)	(174,833)
Net cash inflow from operating activities	29	**465,515**	**875,078**
Cash flows from investing activities			
Cash transfers from/(to) advances facility		345,711	(238,905)
Payments for property, plant and equipment		(774,600)	(774,013)
Loans to counterparties		(4,595)	(116,140)
Payments for intangibles		(15,213)	(24,028)
Proceeds from sale of property, plant and equipment		170	3,155
Asset-based revolving credit facility to Coronado		(406,302)	-
Payment for equity option		-	(26,516)
Net cash outflow from investing activities		**(854,829)**	**(1,176,447)**
Cash flows from financing activities			
Proceeds from equity contributions	20	63,939	531,623
Repayment of borrowings		(33,019)	(130,920)
Proceeds from borrowings		782,646	407,403
Dividends paid	21	(335,900)	(594,400)
Payment of lease liabilities		(2,374)	(3,420)
Net cash from financing activities		**475,291**	**210,286**
Net increase/(decrease) in cash and cash equivalents		85,977	(91,083)
Cash and cash equivalents at the beginning of the financial year		**57,588**	**148,671**
Cash and cash equivalents at the end of the financial year	4	**143,565**	**57,588**

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 30 June 2026

1. Material accounting policy information

The accounting policies that are material to the consolidated entity are set out either in the respective notes or below. The accounting policies adopted are consistent with those of the previous financial year, unless otherwise stated. Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

New or amended Accounting Standards and interpretations adopted

The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are mandatory for the current reporting period.

Lack of exchangeability - Amendments to AASB 121

The Effects of Changes in Foreign Exchange Rates specifies how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking.
The amendments also require disclosure of information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows. The amendments did not have a material impact on the Group's financial statements.

Basis of preparation

These general-purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board, the *Corporations Act 2001* and the Queensland *Government Owned Corporations Act 1993* (*GOC Act*).

Stanwell Corporation Limited is a for-profit entity for the purpose of preparing the financial statements.

Historical cost convention

The financial statements have been prepared under the historical cost convention, except for, where applicable, financial assets and liabilities at fair value through profit or loss. Inventory (environmental certificates) is also held at fair value.

Going concern

The financial report has been prepared on a going concern basis, which assumes continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business.

1. Material accounting policy information (continued)

For the year ended 30 June 2026, the consolidated entity incurred a net loss after tax of $414,664,000 (2025: $429,232,000 net profit) and generated net operating cash inflows of $465,515,000 (2025: positive operating cash flows of $875,078,000).

The net loss after tax, for the year ended 30 June 2026 is attributable to:

- The downward adjustment in fair value movements in Stanwell's coal supply-related financial assets with Coronado, including the Stanwell Reserve Area (SRA) value, the Rebate Release and Prepayment (RRP) balance and the Prepayment and Deferred Payment (PDP) balance, arising from amendments to the long-term coal supply agreement.
- Lower wholesale electricity revenue driven by a decline in electricity prices during the year.

In response to these challenges the Group continues to monitor its financial position and liquidity requirements and manage its funding arrangements to ensure it remains able to meet its financial obligations as they fall due. In assessing the appropriateness of preparing the consolidated financial statements on a going concern basis, the Directors have considered the following:

- A letter from Queensland Treasury Corporation (QTC), dated 23 June 2026, confirms that there are no amounts repayable on demand and no circumstances that would give rise to any amounts becoming payable by the Group within 12 months from the reporting date, other than on their specified contractual repayment dates.
- Cash flow forecasts and revenue projections covering a period of at least thirteen months from the date of this report.

In addition to the considerations above, the Group's ability to continue as a going concern is dependent upon:

- Continued access to funding from Queensland Government to support ongoing solvency and viability to 31 August 2027.
- Stanwell generating the forecast revenues as included in the cashflow forecast.
- Stanwell controlling the forecast expenditure as included in the cashflow forecast.

Based on the information available, the Directors believe there are reasonable grounds to conclude that the Group will be able to pay its debts as and when they fall due. The Directors remain confident in the Group's ability to generate operating cash flows and secure sufficient funding to meet its obligations. Accordingly, they do not consider the current tightening of liquidity to represent a material uncertainty regarding the Group's ability to continue as a going concern.

Parent entity information

In accordance with the *Corporations Act 2001*, these financial statements present the results of the consolidated entity only. Supplementary information about the Parent entity is disclosed in note 27.

Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Stanwell Corporation Limited ('Company' or 'Parent entity') as at 30 June 2026 and the results of all subsidiaries for the year then ended. Stanwell Corporation Limited and its subsidiaries together are referred to in these financial statements as the 'Group'.

Subsidiaries are all those entities over which the Parent has control. The Parent entity controls an entity when the Parent entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity.

1. Material accounting policy information (continued)

Intercompany transactions, balances and unrealised gains on transactions between entities are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the consolidated entity.

Interests in subsidiaries

Stanwell Corporation Limited had 100% (2025: 100%) ordinary equity holding in the following subsidiaries. All entities within the Group were incorporated in Australia and are Australian residence for tax purposes.

Stanwell Hold 1 Pty Ltd (formerly CQ-H2 Facilities Pty Ltd)*
Stanwell Trading Pty Ltd (formerly CQ-H2 HLF Pty Ltd)*
Stanwell Hold 4 Pty Ltd (formerly CQ-H2 HPF Pty Ltd)*
Stanwell Hold 3 Pty Ltd (formerly CQ-H2 HTF Pty Ltd)*
Stanwell Hold 2 Pty Ltd (formerly CQ-H2 Industrial Water Pty Ltd)*
Glen Wilga Coal Pty Ltd
Goondi Energy Pty Ltd
Mica Creek Pty Ltd
SCL North West Pty Ltd
Stanwell Asset Maintenance Company Pty Ltd
Stanwell Cressbrook Pty Ltd*
Stanwell Cressbrook Hold Co Pty Ltd*
Stanwell Cressbrook Hold Co Pty Ltd as trustee for the Stanwell Cressbrook Hold Trust
Stanwell Cressbrook Hold Trust
Stanwell Cressbrook Project Co Pty Ltd*
Stanwell Cressbrook Project Trust
Stanwell Cressbrook Project Co Pty Ltd as trustee for the Stanwell Cressbrook Project Trust
Stanwell Firming Holdings Pty Ltd
Stanwell Lockyer Pty Ltd
Stanwell Lockyer LandCo Pty Ltd
Stanwell Lockyer Project Co Pty Ltd
Stanwell Renewable Energy Holdings Pty Ltd
Stanwell Wambo Stage 1 Hold Co Pty Ltd
Stanwell Wambo Stage 1 Hold Co Pty Ltd as Trustee for the Stanwell Wambo Stage 1 Hold Trust
Stanwell Wambo Stage 1 Hold Trust
Stanwell Wambo Stage 1 Project Co Pty Ltd
Stanwell Wambo Stage 1 Project Co Pty Ltd as Trustee for the Stanwell Wambo Stage 1 Project Trust
Stanwell Wambo Stage 1 Project Trust
Stanwell Wambo Stage 1 Pty Ltd
Stanwell Wambo Stage 2 Hold Co Pty Ltd
Stanwell Wambo Stage 2 Hold Co Pty Ltd as trustee for the Stanwell Wambo Stage 2 Hold Trust
Stanwell Wambo Stage 2 Hold Trust
Stanwell Wambo Stage 2 Project Co Pty Ltd
Stanwell Wambo Stage 2 Project Co Pty Ltd as trustee for the Stanwell Wambo Stage 2 Project Trust
Stanwell Wambo Stage 2 Project Trust
Stanwell Wambo Stage 2 Pty Ltd
Tarong Energy Corporation Pty Ltd
Tarong Fuel Pty Ltd
Tarong North Pty Ltd
TEC Coal Pty Ltd
TN Power Pty Ltd

In addition, Stanwell Corporation Limited had 25% (2025: 25%) ordinary equity holding in Wambo Common Asset Co Pty Ltd and 50% ordinary equity/unit holdings in the following entities:

Big T Unit Trust
Cressbrook Project Co Pty Ltd
Cressbrook Project Co Pty Ltd as trustee of Big T Unit Trust
Cressbrook Manager Co Pty Ltd
Cressbrook Joint Asset Co Pty Ltd
Cressbrook Joint Asset Trust
Cressbrook Joint Asset Co Pty Ltd as trustee for Cressbrook Joint Asset Trust
Cressbrook Joint Asset Hold Co Pty Ltd
Cressbrook Joint Asset Hold Trust
Cressbrook Joint Asset Land Co Pty Ltd
Cressbrook Joint Asset Hold Co Pty Ltd as trustee for Cressbrook Joint Asset Hold Trust

1. Material accounting policy information (continued)

These entities were incorporated in Australia.

**These subsidiaries are not parties to the Stanwell Deed of Cross Guarantee.*

Stanwell Hold 1 Pty Ltd, Stanwell Asset Maintenance Company Pty Ltd, Stanwell Firming Holdings Pty Ltd, Stanwell Renewable Energy Holdings Pty Ltd, Tarong Fuel Pty Ltd and TN Power Pty Ltd are holding subsidiaries.

Glen Wilga Coal Pty Ltd, Goondi Energy Pty Ltd, Mica Creek Pty Ltd, SCL North West Pty Ltd and Tarong Energy Corporation Pty Ltd are dormant.

Deed of Cross-Guarantee

The Company has entered into a Deed of Cross Guarantee with its subsidiaries, with the exception of those stated above, under which each company guarantees the debts of the others. By entering the deed, the wholly owned subsidiaries can apply for relief from preparing a financial report and directors' report under Corporations Instrument 2016/785 issued by the Australian Securities and Investment Commission, if or when they become Large Proprietary Companies.

The subsidiaries that are parties to the Deed of Cross Guarantee represent a 'Closed Group' for the purposes of the Corporations Instrument, and, as there are no other parties to the Deed of Cross Guarantee that are controlled by the Company, they also represent the 'Extended Closed Group'.

Current and non-current classification

Assets and liabilities are presented in the balance sheet based on current and non-current classification.

An asset is classified as current when:

- it is either expected to be realised or intended to be sold or consumed in the consolidated entity's normal operating cycle;
- it is held primarily for the purpose of trading;
- it is expected to be realised within 12 months after the reporting period; or
- the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current when:

- it is either expected to be settled in the consolidated entity's normal operating cycle;
- it is held primarily for the purpose of trading;
- it is due to be settled within 12 months after the reporting period; or
- the Group does not have the right at the end of the reporting period to defer settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Deferred tax equivalent assets and deferred tax equivalent liabilities are always classified as non-current.

1. Material accounting policy information (continued)

Finance costs

Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred using the effective interest method.

Investments accounted for using the equity method

Investments in joint ventures are initially recognised at cost and subsequently accounted for using the equity method in accordance with AASB 128 *Investments in Associates and Joint Ventures*. The carrying amount of the investment is adjusted to recognise Stanwell's share of the joint venture's profit or loss and other comprehensive income from the date joint control is obtained. Distributions received from the joint venture reduce the carrying amount of the investment.

Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the balance sheet.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Rounding of amounts

The company is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

New Accounting Standards and interpretations not yet mandatory or early adopted

A number of new accounting standards are effective for annual periods beginning after 1 July 2027 and earlier application is permitted. However, the Group has not early adopted the following new or amended accounting standards in preparing these consolidated financial statements.

AASB 18 Presentation and Disclosure in Financial Statements

AASB 18 introduces the following key new requirements:

- Entities are required to classify all income and expenses into five categories in the statement of profit or loss, namely the operating, investing, financing, discontinued operations and income tax categories. Entities are also required to present a newly-defined operating profit subtotal. Entities' net profit will not change.
- Management-defined performance measures (MPMs) are disclosed in a single note in the financial statements.
- Enhanced guidance is provided on how to group information in the financial statements.

In addition, all entities are required to use the operating profit subtotal as the starting point for the statement of cash flows when presenting operating cash flows under the indirect method.

1. Material accounting policy information (continued)

The Group is still in the process of assessing the impact of the new standard, particularly with respect to the structure of the Group's statement of profit or loss, the statement of cash flows and the additional disclosures required for MPMs. The Group is also assessing the impact on how information is grouped in the financial statements, including for items currently labelled as 'other'.

Other Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory are not expected to have a significant impact on the Group's consolidated financial statements.

Critical accounting estimates and judgements

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. Estimates and judgements are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Group and that are believed to be reasonable under the circumstances. Judgements and estimates that are material to the financial statements are provided throughout the notes to the financial statements.

Investments in joint ventures

Judgement is applied in determining whether Stanwell has joint control over an investee and whether the investment is accounted for using the equity method in accordance with AASB 11 *Joint Arrangements* and AASB 128 *Investments in Associates and Joint Ventures*.

Judgement is also applied in assessing whether there are indicators of impairment of the investment and, where applicable, in estimating its recoverable amount.

2. Revenue and other income

	Consolidated	
	2026 $'000	2025 $'000
Revenue from contracts with customers		
Sale of electricity - wholesale	1,227,457	2,073,684
Sale of electricity - retail	999,560	1,061,990
Energy services revenue	437,502	347,579
	2,664,519	**3,483,253**
Other revenue and income		
Hedging (loss)/gain	342,802	(314,831)
Coal revenue sharing arrangements	57,799	163,067
Ancillary services revenue	12,915	29,022
Environmental certificate revenue	562	-
Grant income	956	2,762
Services revenue	16,352	1,208
Other revenue	77,294	13,443
	508,680	**(105,329)**
Revenue and other income	**3,173,199**	**3,377,924**

Finance income		
Interest Income	33,871	18,075
Unwinding of discount on financial asset	35,456	57,150
Finance income	**69,327**	**75,225**

Application of accounting policies

Revenue from Contracts with Customers

Most of the revenue recognised by the Group arises from contracts for the supply of electricity to the National Electricity Market (NEM) and business customers in Australia. In accounting for these contracts, the Group recognises revenue to depict the transfer to the customer of the goods or services promised in the contract in an amount that reflects the consideration to which it expects to be entitled in exchange for those goods or services. *Revenue from contracts with customers* is recognised using the five step model in AASB 15 (*Revenue from Contracts with Customers*) and generally occurs when control of the goods or service is transferred to the customer.

2. Revenue and other income (continued)

Revenue stream	Description	Revenue recognition under AASB 15
Revenue from contract with customers:		
Sale of electricity - wholesale	Represents revenue from the sale of electricity generated by the Group and dispatched to the NEM.	Revenue is recognised when electricity is dispatched to the NEM and measured using the output method. Stanwell measures the output using the electricity meterage on a daily basis.
Sale of electricity - retail	Represents revenue from contracts with business customers for the supply of electricity. These contracts can be longer term in nature.	Stanwell recognises revenue over time where there are a series of performance obligations in a contract with the customer. The progress is measured based on units of electricity delivered (output method) over the contract towards the satisfaction of the performance obligation. Any non-cash consideration received from the customer as fulfilment of the contract is accounted for as revenue and measured at fair value. Stanwell recognises revenue at a point in time where there are distinct performance obligations in a contract with a customer. The performance obligation is satisfied at a point in time, that is on delivery of electricity to the customer.
Energy services revenue	Represents revenue in relation to the recharge of transmission, network charges and other operating costs directly attributable to delivery of electricity to retail customers.	The Group recognises revenue when performance obligations are satisfied over time which is generally when energy services are delivered.
Other revenue and income:		
Coal revenue sharing arrangements	Represents revenue from coal revenue sharing arrangements.	Stanwell recognises revenue from coal sharing arrangements in accordance with the terms of the contract which is the point in time when the ownership of the coal being exported is legally transferred to the buyer. Typically the transfer of ownership and the recognition of revenue occurs when the coal passes the ship rail when loading at the port.
Grants income	Represents revenue from grants received from the Government.	Government grants relating to costs are deferred and recognised in profit or loss over the period necessary to match them with the costs that they are intended to compensate.
Other revenue and income	Represents income from consortium members and includes ancillary services revenue, other income and recoveries relating to delay damages.	Stanwell recognises revenue and other income when performance obligations are satisfied in accordance with the terms of the contract, reflecting the completion of deliverables as specified.

Finance income

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Finance income includes interest income and accretion arising from amounts receivable under the Group's coal supply arrangements, including amounts relating to the Stanwell Reserved Area and prepayments and deferred amounts receivable from Coronado under the coal supply arrangements. Refer to note 8 for further details on coal supply arrangement.

3. Expenses

	Consolidated	
	2026 $'000	2025 $'000
Profit/(loss) before income tax includes the following specific expenses:		
Depreciation		
Land and buildings	(5,400)	(2,852)
Thermal assets	(194,336)	(155,034)
Operational mining assets	(33,363)	(18,910)
Other plant and equipment	(10,143)	(7,858)
Firming Assets	(6,953)	-
Renewable assets	(4,485)	-
Leased assets- right-of-use assets	(4,595)	(2,587)
Total depreciation	**(259,275)**	**(187,241)**
Amortisation		
Development right	(6,111)	(3,006)
Software	(3,818)	(5,246)
Exploration and evaluation	(600)	(85)
Mining information	(330)	(183)
Total amortisation	**(10,859)**	**(8,520)**
Total depreciation and amortisation	**(270,134)**	**(195,761)**
Impairment reversal		
Land and buildings	-	14,526
Thermal assets	-	326,167
Operational mining assets	-	66,296
Other plant and equipment	-	3,357
Capital work in progress	-	846
Leased assets - right-of-use assets	-	94
Software	-	342
Total impairment reversal	**-**	**411,628**

3. Expenses (continued)

	Consolidated	
	2026 $'000	**2025 $'000**
Finance costs		
Interest and finance charges paid/payable for financial liabilities not at fair value through profit or loss	(75,526)	(52,622)
Unwinding of the discount on provisions	(21,456)	(14,329)
	(96,982)	(66,951)
Amount capitalised	-	1,403
Finance costs expensed	**(96,982)**	**(65,548)**
Amounts included in other expenses		
Services and consultants	(130,442)	(140,984)
Amounts included in employee benefits expense		
Defined contribution superannuation expense	(21,957)	(23,712)
Defined benefit plan expense	(741)	(388)

During the financial year $677,300 (2025: $664,300) was paid/payable to the Queensland Audit Office, for the audit of the financial statements and Australian Financial Services Licence (AFSL). A further, $160,000 was paid or payable to the Queensland Audit Office for the sustainability assurance engagement in the financial year 2026. In addition, $197,600 (2025:$107,115) was paid to other auditors in relation to other assurance services.

4. Cash and cash equivalents

	Consolidated	
	2026 $'000	**2025 $'000**
Cash at bank and in hand	143,565	57,588

Cash at bank is bearing an interest rate of 3.5% (2025: 3.9%). The carrying amount for cash and cash equivalents reasonably equates to their fair value.

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Credit risk

Cash and cash equivalent balances are held with Queensland Treasury Corporation (QTC) and other bank and financial institution counterparties which are rated AA- to AA+.

5. Current receivables

Financial assets at amortised cost

	Consolidated	
	2026 $'000	**2025 $'000**
Trade receivables:		
Retail customers	173,313	165,180
Other trade receivables	19,976	125,082
Advances facility	32,012	377,724
Loans to EDF	4,595	-
Other receivables	25,667	6,409
Less: Allowance for expected credit losses	(231)	(187)
	250,737	**674,208**

Trade receivables

Trade receivables primarily comprise amounts owing to Stanwell by retail customers. Other trade receivables include amounts owing by the Australian Energy Market Operator (AEMO), as well as amounts owing under coal rebate sharing arrangements, power purchase agreements, and over-the-counter (OTC) electricity contracts. Transactions with AEMO and OTC counterparties are settled net on a consolidated basis.

Advances facility

Under the Queensland Government's cash management regime, Government Owned Corporations (GOCs) advance surplus cash to Queensland Treasury.

GOC access to the advances is generally subject to notification periods of 24 to 48 hours. The deposits at call yielded floating interest rates between 3.49% to 4.24% during the year ended 30 June 2026 (2025: 4.35% to 5.27%). Refer to note 19 for further information on interest rate risk.

Because of the short-term nature of the advances, their carrying amount is assumed to be a reasonable approximation of fair value.

Application of accounting policies

Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Group holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 to 90 days depending on the nature of the agreement. They are presented as current assets unless collection is not expected for more than 12 months after the reporting date.

The Group has applied the simplified approach to measuring expected credit losses on current receivables, which uses a lifetime expected loss allowance. The amount of the allowance for expected credit losses is recognised in profit or loss within other expenses. When a trade receivable is assessed as impaired, it is written off within other expenses. Subsequent recoveries of amounts previously written off are credited against the same line item in profit or loss.

5. Current receivables (continued)

Application of accounting estimates and judgements

The allowance for expected credit losses is based on management's estimate of the prospect of recovering the debt.

Financial risk management objective

Credit risk

Credit risk exposure refers to the situation where the Group may incur financial loss as a result of another party to a financial instrument failing to fulfil their contractual obligation.

The Group has a strict credit policy for all customers trading on credit terms and assesses counterparty creditworthiness using a range of quantitative and qualitative measures. Credit ratings determined by a recognised rating agency are considered where available. Unrated entities have ongoing credit evaluations performed on their financial condition and other qualitative measures to ensure all counterparty credit exposures remain within acceptable levels. Particularly in instances where counterparties are not rated, the Group lowers the potential net credit impact by requiring credit support provision as appropriate.

The carrying amount of financial assets best represent the Group's maximum exposure to credit risk at the reporting date. At 30 June 2026, $7,129,514 of the Group's financial assets were past due but not impaired (2025: $11,234,537).

The Group transacts spot electricity and ancillary services with AEMO, which is a company limited by guarantee. AEMO was incorporated under the *Corporations Act 2001* and is owned by the Governments of the six jurisdictions who are members of the Australian Energy Market – Queensland, Victoria, South Australia, New South Wales, Australian Capital Territory and Tasmania. AEMO is self-funding and has an ability to recover its costs from fees that participants are required to pay. As effective power system operations are of great importance to the Governments involved, support from all owners is assumed. As a result, credit risk with AEMO is not considered significant.

Retail customers are generally from the commercial and industrial sector and vary in credit rating or are unrated. These customers have ongoing credit evaluations performed on their financial condition and other qualitative measures to ensure credit exposures remain within acceptable levels.

The Advances facility is held with QTC. No expected credit loss has been recognised in relation to this balance.

The expected credit losses on trade receivables are estimated using externally and internally sourced credit ratings and expected loss rates, taking into account historical and forward looking metrics. An impairment assessment was performed at 30 June 2026 and an allowance for expected credit losses of $231,000 has been recognised (2025: $187,270).

5. Current receivables (continued)

A summary of the credit quality of the current receivable counterparties as assessed by reference to external credit ratings (Standard & Poor's or equivalent) as reflected in the following table:

	Consolidated	
	2026 $'000	**2025 $'000**
AA+ to AA-	43,995	380,983
A+ to A-	1,644	1,791
BBB+ to BBB-	94,648	104,727
BB to B	79,666	66,169
Other and non-rated	8,466	5,847
AEMO	22,549	114,878
	250,968	**674,395**

6. Inventories

	Consolidated	
	2026 $'000	**2025 $'000**
Stores - at cost	118,350	86,835
Less: Provision for obsolescence	(13,307)	(14,120)
	105,043	**72,715**
Fuel	128,413	73,039
Environmental certificates at fair market value	41,016	29,129
	274,472	**174,883**

Application of accounting policies

Environmental certificates

The Group is subject to various regulatory environmental schemes and as such accrues environmental liabilities as part of its general business operations. To meet these liabilities, the Group acquires environmental certificates through derivative contracts and surrenders these to the scheme administrators periodically.

Environmental certificates are recognised in the financial statements at fair market value where fair value is determined by reference to observable market prices at reporting date.

Fuel and stores

Fuel and stores are carried at the lower of weighted average cost per individual item of inventory and net realisable value. Cost for stores and fuel is their purchase price and for partly processed and saleable products is generally the cost of production. For this purpose, the cost of production includes direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Costs of inventory are determined after deducting associated rebates and discounts.

6. Inventories (continued)

Provision for obsolescence

The Group provides for inventory obsolescence based on the ageing of stock items held and changes in technology that would render parts obsolete.

Application of critical accounting estimates and judgements

Environmental certificates

As per AASB 13 *Fair Value Measurement*, the environmental certificates are classified as Level 1 as these instruments are traded in active markets and the valuation is based on quoted market prices at the end of the reporting period.

7. Other current assets

	Consolidated	
	2026 $'000	2025 $'000
Prepayments	29,415	18,294
Cash collateral	-	133,994
Less: Allowance for expected credit losses	-	(44)
	29,415	**152,244**

Application of accounting policies

Cash collateral

Cash collateral is provided to support the margin requirements that are required to be held to cover positions traded on the Australian Securities Exchange. The margin requirement comprises an initial margin which is designed to reduce systemic risk and ensure that market/counterparty obligations are met even if a clearing participant was to default, and a variation margin which is equal to the fair value of the Company's exchange-traded derivative positions, refer note 13 Derivative financial instruments. The existing positions will unwind over the next three years, while new positions will be taken in the ordinary course of business.

In 2026, no allowance for expected credit loss has been recognised (2025: $44,218).

8. Non-current receivables

Prior to November 2025, Stanwell's coal supply and associated financial arrangements with Coronado Curragh Pty Limited (Coronado) comprised the following separately recognisable receivable balances.

Stanwell Reserved Area (SRA) value

In August 2018, Stanwell exchanged its reversionary right to coal resources in the Stanwell Reserved Area (SRA) at the Curragh mine as part of negotiating a new long-term coal supply agreement for Stanwell Power Station from 2027 to 2038 with Coronado Curragh Pty Limited (Coronado). The value of the consideration for Stanwell's rights over the SRA was $210,000,000 and was expected to be received over the term of the new coal supply agreement as an offset amount against amounts payable to Coronado for coal delivered. If the new coal supply agreement is terminated, any unpaid portion of the SRA value was repayable by Coronado in cash. Under the terms of the agreement, the SRA value receivable of $210,000,000 accretes at a rate of 13% per annum until it has been paid in full. The accretion is recognised as interest income within finance income.

8. Non-current receivables (continued)

Rebate Release and Prepayment (RRP) Balance

In June 2025, Stanwell amended its coal supply agreement with Coronado to obtain rights to the supply of additional coal of up to 800,000 tonnes per annum over a 5-year period commencing in 2027 in exchange for providing a financing facility comprising:

- A cash payment of $116.1 million representing a partial up-front payment for the additional coal to be supplied ('Prepayment component"). The Prepayment component was expected to be recovered over the associated 5-year supply period commencing in 2027 as an offset against future amounts payable by Stanwell to Coronado for coal purchased under the amended supply agreement. At the end of the amended coal supply agreement, or if the amended agreement was terminated early, any amounts outstanding were repayable by Coronado in cash. The outstanding balance of the Prepayment component accreted interest at a rate of 13% per annum, which had been recognised by Stanwell as interest income; and
- Deferral of amounts payable by Coronado to Stanwell during the period April-December 2025 under the coal revenue sharing arrangements for a 5-year period commencing in 2027 ('Rebate component'). As at the 30 June 2025, the carrying amount of the Rebate component was $32 million.

As a consequence of the June 2025 amendments to the coal supply agreement, $32.2 million was recognised by Stanwell as a loss on initial recognition of the RRP Balance in the 2025 annual reporting period. The loss was measured as the difference between the initial fair value of the RRP Balance and the consideration provided by Stanwell for the amended coal supply agreement (being the gross value of the Prepayment and Rebate components immediately prior to the amendment date).

In November 2025, to facilitate the provision of immediate liquidity support to Coronado and to ensure the continuity of coal supply to the Stanwell Power Station, Stanwell agreed to further amendments to the coal supply agreement with Coronado. The key features of the renegotiated agreement include:

- The monthly Rebate amounts payable by Coronado under the amended agreement for the period from 1 January 2026 until the final delivery date under the amended agreement are waived and will only become payable in the event of default by Coronado or upon a change of control event affecting Coronado.
- Stanwell to make additional prepayments to Coronado under the amended agreement, subject to specified Liquidity thresholds
- Repayment of the SRA Value by Coronado may be deferred, subject to specified Liquidity thresholds, and
- Repayment of the RRP Balance may be deferred, subject to specified Liquidity thresholds
- The additional prepayments made by Stanwell and deferred repayments owing by Coronado will be transferred to a dedicated balance ('Prepayment and Deferred Payment Balance' or 'PDP Balance'), which will accrete interest at 7.5% per annum, subject to the total PDP Balance (principal and interest) being capped at 120% of the principal amount.

Apart from the ABLIn addition, Stanwell provided a 5-year, $US 265 million asset-based lending facility ('ABL' Facility, which will be). This amount has been accounted for separately at amortised cost, the as detailed in note 12.

The effect of the November 2025 amendments to the supply agreement with Coronado economically linked the pre-existing SRA value and RRP Balance so that their carrying amounts and recoverability are interrelated. Consequently, the pre-existing SRA Value and RRP Balance are substantially modified resulting in the de-recognition of the previous balances and new financial assets being recorded. The new financial assets are recorded at fair value through profit or loss on the basis that the cash flows are not consistent with solely principal and interest in accordance with a basic lending arrangement.

On initial recognition of the combined Coronado balances (being the 'SRA', 'RRP' and 'PDP') to fair value through profit or loss, Stanwell recognised a loss on fair value remeasurement of $661,559,000 which has been recognised in the profit or loss in the current period.

8. Non-current receivables (continued)

Comparative information

During the reporting period ending 30 June 2025, the total amounts receivable from Coronado comprised the SRA value and RRP Balance, which were accounted for separately at amortised cost.

As at 30 June 2026, the Coronado receivable was measured at fair value.

The total amounts receivable from Coronado were as follows:

	Consolidated	
	2026 $'000	**2025 $'000**
Receivables	150,000	604,220
Less: Allowance for expected credit losses	-	(124,020)
	150,000	**480,200**

Fair value hierarchy

2026				
	Level 1 $'000	**Level 2 $'000**	**Level 3 $'000**	**Level 4 $'000**
Non-current non-derivative financial instrument assets	-	-	150,000	150,000
Total assets	-	-	150,000	150,000

The significant valuation techniques and processes used to value non-derivative financial instruments categories within level 3 are:

- Discounted cash flow methodology: The fair value of the Coronado Balances is determined using estimated future recoveries under the contractual arrangements. The cash flows reflect the expected timing and quantum of repayments having regard to Coronado's forecast Liquidity.
- Coronado's forecast Liquidity available for repayment of the Coronado Balances, having regard to a range of future operating and market scenarios.

The following table summarises the quantitative information about the significant unobservable inputs used in Level 3 fair value measurements of derivative and non-derivative financial instruments. The analysis was prepared by changing the significant unobservable input to a reasonably possible alternative, while holding other inputs (including discount factors and credit value adjustments) constant.

8. Non-current receivables (continued)

2026	Fair value included in level 3 Asset		
Class of non-derivative financial instrument	**$'000**	**Unobservable inputs**	**Relationship of unobservable inputs to fair value**
Coronado Balances	**150,000**	Coronado's forecast Liquidity available for repayment of the Coronado Balances, including the expected timing and quantum of recoveries under the contractual repayment mechanisms. Due multiple assumptions used to estimate forecast Liquidity and the operation of the contractual repayment mechanisms, a sensitivity to an individual input in isolation is not considered meaningful. The fair value of the Coronado Balances have therefore been assessed having regard to a range of scenarios reflecting different future Liquidity and recovery outcomes.	Higher forecast Liquidity increases expected recoveries and therefore fair value. Lower forecast Liquidity decreases expected recoveries and therefore fair value. The fair value of the Coronado Balances is determined by the interaction of multiple assumptions and contractual repayment scenarios. Coal prices and foreign exchange rates influence forecast liquidity through their impact on Coronado's cash generation, while repayments depend on the achievement of liquidity thresholds and the contractual repayment waterfall. As a result, no single input has a direct or significant relationship with fair value measurement in isolation, and the valuation is determined based on a range of liquidity and recovery scenarios.

Application of accounting policies

Non-derivative financial assets carried at fair value through profit or loss

Non-derivative financial assets carried at fair value through profit or loss, including the Coronado balances, do not meet the necessary criteria to be measured at amortised cost, including the solely payments of principal and interest criteria. Consequently, they are remeasured on a recurring basis at fair value until they are derecognised, either because the contractual rights to receive the cash flows of the financial asset expire or the entity transfer the financial asset in a manner that qualifies for derecognition.

Interest and other gains arising from loans and receivables measured at fair value are recognised as part of the fair value gains and losses in the profit and loss.

Application of critical estimates and judgements

Consistent with the IASB's Interpretation Committee ('IFRIC') September 2012 deliberations on the derecognition of financial assets, management have determined that the contractual terms and conditions applicable to the SRA value and RRP Balance are substantially different from the corresponding terms and conditions applicable prior to the November 2025 amendment, and that the change in contractual terms and conditions have been both qualitatively and quantitatively substantial. On this basis, management concluded that the November 2025 amendments resulted in a termination of the existing arrangement with Coronado and the recognition of the Coronado balances as one financial instrument with significantly different terms and conditions to its predecessors.

8. Non-current receivables (continued)

Credit risk

At 30 June 2025, the Group had measured the allowance for expected credit loss (ECL) on amounts receivable from Coronado using the lifetime ECL approach. This was a change from prior years when the 12-month ECL approach was used. The change was driven by the Group's assessment that there had been a significant increase in credit risk following a downgrade in Coronado's published external credit rating to CCC+ in June 2025 and public announcements regarding Coronado's financial position and performance.

In the prior year, in measuring the lifetime ECL, probabilities of default were based on historical data provided by external rating agencies. These probabilities of default were applied over the term of the arrangement whilst taking in to account the time value of money. Loss given default parameters generally reflect an assumed recovery rate of 50% and were based on Standards & Poor (S&P) Global. Given no amounts owing by Coronado are overdue at year end and there has been no history of default, the Group had assessed that the financial asset was not credit impaired in determining the ECL allowance.

9. Property, plant and equipment

	Consolidated	
	2026 $'000	**2025 $'000**
Land and Buildings - cost	237,314	194,040
Less: Accumulated depreciation and impairment	(105,094)	(99,695)
	132,220	**94,345**
Thermal assets - cost	4,091,489	3,903,109
Less: Accumulated depreciation and impairment	(2,852,976)	(2,683,962)
	1,238,513	**1,219,147**
Operational mining assets - cost	3,325,319	2,981,897
Less: Accumulated depreciation	(2,761,085)	(2,510,757)
	564,234	**471,140**
Other plant & equipment - cost	160,316	134,902
Less: Accumulated depreciation and impairment	(111,913)	(102,260)
	48,403	**32,642**
Sustaining capital - WIP	145,728	145,599
Growth capital - WIP	933,585	1,374,303
	1,079,313	**1,519,902**
Right-of-use assets	57,174	56,932
Less: Accumulated depreciation and impairment	(16,505)	(11,910)
	40,669	**45,022**
Firming assets	387,688	-
Less: Accumulated depreciation and impairment	(6,953)	-
	380,735	**-**
Renewable assets	444,809	-
Less: Accumulated depreciation and impairment	(4,485)	-
	440,324	-
	3,924,411	**3,382,198**

9. Property, plant and equipment (continued)

Consolidated	Land and buildings $'000	Thermal assets $'000	Operational mining assets $'000	Other plant and equipment $'000	Firming assets $'000	Renewable assets $'000	Sustaining capital - WIP $'000	Growth capital - WIP $'000	Right of use assets $'000	Total $'000
Balance at 1 July 2024	**75,474**	**927,427**	**336,086**	**21,521**	**-**	**-**	**76,868**	**803,315**	**20,043**	**2,260,734**
Additions	-	12,295	12,041	-	-	-	229,011	520,667	27,472	801,486
Disposals	-	-	(267)	(30)	-	-	-	-	-	(297)
Project write-off	-	-	-	-	-	-	(731)	-	-	(731)
Rehabilitation asset adjustment	-	(15,203)	61,089	-	-	-	-	51,067	-	96,953
Impairment reversal	14,526	326,167	66,296	3,357	-	-	846	-	94	411,286
Reclass WIP impairment	(42)	(138)	(642)	(21)	-	-	851	-	-	8
Transfers between classes	7,239	123,633	15,447	15,673	-	-	(161,246)	(746)	-	-
Depreciation expense	(2,852)	(155,034)	(18,910)	(7,858)	-	-	-	-	(2,587)	(187,241)
Balance at 30 June 2025	94,345	1,219,147	471,140	32,642	-	-	145,599	1,374,303	45,022	3,382,198
Additions	-	1,746	56,946	-	-	-	202,675	513,232	242	774,841
Disposals	-	(108)	-	(4)	-	-	-	-	-	(112)
Project write-off	-	-	-	-	-	-	(47)	(4,768)	-	(4,815)
Rehabilitation asset adjustment	-	41,284	13,611	-	(8,138)	(22,389)	-	7,206	-	31,574
Impairment reversal	-	-	-	-	-	-	-	-	-	-
Transfers between classes	43,275	170,780	55,900	25,908	395,826	467,198	(202,499)	(956,388)	-	(1)
Depreciation expense	(5,400)	(194,336)	(33,363)	(10,143)	(6,953)	(4,485)	-	-	(4,595)	(259,275)
Balance at 30 June 2026	132,220	1,238,513	564,234	48,403	380,735	440,324	145,728	933,585	40,669	3,924,411

9. Property, plant and equipment (continued)

Application of accounting policies

Property, plant and equipment are stated at historical cost less accumulated depreciation/amortisation and accumulated impairment charges. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Cost may also include the costs of dismantling and removing the items and restoring the site on which they are located, capitalised borrowing costs and transfers from other comprehensive income of any gains/losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment, refer to note 13 Derivative financial instruments.

Subsequent costs of replacing part of an item of property, plant and equipment are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced asset is derecognised. The costs of day to day servicing of property, plant and equipment are recognised in the profit or loss as incurred.

The Group has established a program of major overhauls providing cyclical maintenance works on the thermal and operating assets. Capitalised overhaul expenditure is depreciated over the period in which the Group expects to derive the benefits of the overhaul.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These are included in the profit or loss.

Acquisition of assets:

On 27 June 2025, Stanwell completed an asset acquisition from Quinbrook Infrastructure Partners, comprising land and associated development assets relating to the Lockyer Energy Project near Gatton, Queensland. The Project involves the development of a 120 MW gas generation facility. As part of the acquisition, land was acquired at a fair value of $5.588 million and has been capitalised in accordance with AASB 116 *Property, Plant and Equipment*. Refer to note 10 for information on development assets acquired.

Operational mining assets

Operational mining assets comprise deferred mining development and production stripping assets.

Deferred mining development comprises capitalised costs incurred to develop access to economically recoverable coal reserves prior to commercial production, including directly attributable mine development costs. Production stripping assets comprise stripping costs capitalised during the production phase of a surface mine where the stripping activity is expected to provide future economic benefits through improved access to coal reserves that will be mined in future periods, and the costs can be reliably measured and directly attributed to that improved access.

Operational mining assets are depreciated or amortised in a manner that reflects the pattern in which the economic benefits of the asset are expected to be consumed. This is generally determined using the units of production method over the expected life of the relevant mining area or identified component of the ore body, or the straight-line method where this appropriately reflects the consumption of economic benefits.

Depreciation

Depreciation is recorded over the useful life of the asset, or over the remaining life of the mine or power station if shorter. Assets are depreciated from the date they become available for use. Land is not depreciated. Operational mining assets are depreciated on either a units of use or straight-line basis. Other major categories of property, plant and equipment are depreciated on a straight-line basis.

The Group reviews the estimated useful lives of property, plant and equipment at the end of each annual reporting period. Physical, economic, environmental and climate risk factors are taken into consideration in assessing useful lives of assets, including but not limited to asset condition and obsolescence, technology changes, commercial contract lives and renewals, regional electricity supply-and-demand, and environmental policy changes. Any reassessment of useful lives in a particular year will affect the depreciation expense.

9. Property, plant and equipment (continued)

Change in estimated useful lives

The revised estimated useful lives of the Group's thermal power generation assets, determined during the prior financial year and applied prospectively from 1 July 2025, have been applied in the current financial year. The estimated useful lives are 2046 for Stanwell Power Station and 2037 for the Tarong Precinct (comprising Tarong Power Station, Tarong North Power Station and the Meandu Mine).

The application of the revised useful lives, together with the impairment reversal recognised in the prior year, increased depreciation expense by approximately $5.0 million for the year ended 30 June 2026.

Straight-line basis

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

Buildings	15 - 49 years
Thermal assets (including overhauls)	2 - 49 years
Operational mining assets	2 - 24 years
Other plant and equipment	2 - 30 years
Firming assets	2 - 20 years

Assessment of recoverable assessment

The Group completed its annual impairment assessment of its thermal Cash Generating Units (CGUs) at 30 June 2026 using value in use model. The assessment concluded that the recoverable amounts of the CGUs exceeded their carrying amounts. Accordingly, no impairment losses or impairment reversals were recognised during the year (2025: impairment reversal of $404.3 million).

The Battery CGU was assessed on a current replacement cost methodology. Given the Battery CGU's strategic importance to the Group's long-term generation portfolio and transition to renewable energy, management determined that a current replacement cost methodology provided the most reliable measure of recoverable amount at the reporting date. The assessment considered the cost that a market participant would incur to acquire or construct a modern equivalent asset with similar service potential, functionality and storage capacity. The assessment concluded that the recoverable amount of the Battery CGU exceeded its carrying amount at 30 June 2026 and, therefore, no impairment loss was recognised.

9. Property, plant and equipment (continued)

The following table outlines the key inputs and assumptions and their relationships to value in use considered in the discounted cash flow methodology to determine each CGU's recoverable amount under the value in use approach:

Unobservable inputs	Nature of inputs	Relationship of unobservable inputs and value in use
Revenue cash flows	Prevailing electricity demand and supply conditions determine physical dispatch of electricity and spot price outcomes. The scenario under which the cash flows were modelled take into account the closure of coal fired plants, life of windfarms and investments for renewable energy all of which would have an impact on demand and supply of electricity.	A higher expected electricity generation or an increase in the electricity prices through increased demand or decreased supply of electricity would increase the value in use. An increase in generation from renewables over and above the decrease in coal fired plants will decrease the value in use.
Operating expenditure	Operating expenditures for the electricity generation have been determined based on the most recent management forecasts available at the time of the valuation.	An increase in operating expenditure decreases the value in use.
Capital expenditure	Future capital expenditure required to ensure the security and reliability of electricity generation has been determined based on the most recent management forecasts available at the time of the valuation.	An increase in future capital expenditure decreases the value in use.
Life of plant	Cash flows have been projected based on the expected life of the plant and life of windfarm. The cash flow projections reflect the operating profiles of Stanwell Power Station through to 2046 and Tarong Power Station through to 2037.	Any increase in the projected volume of generation of the operating plant, under certain scenarios, increases the value in use. A deferral of the expected closure dates may increase the value in use. Useful lives are amended prospectively when a change in operating life is determined. The estimated useful lives of our assets align with our climate change strategy commitments.
Weighted Average Cost of Capital (WACC) discount rate	A nominal post-tax WACC of 7.0% to 7.8% (2025: 7.5%) has been employed in the valuation. The WACC discount rate has been determined in consultation with independent experts based on a long-term view of the market cost of capital. The WACC equates to a pre-tax discount rate of approximately 10.0% to 11.1% (2025: 10.7%).	The higher the nominal WACC, the lower the value in use.

Application of critical accounting estimates and judgements

Stripping costs

These assets form part of the total investment in the relevant cash generating unit, which is reviewed for impairment if events or changes in circumstances indicate that the carrying value may not be recoverable.

Impairment of assets

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

The recoverable amount is calculated based on either the fair value of the asset less costs to dispose or value in use. Fair value less costs to sell is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. The value in use calculation is determined using the expected future cash flows from the continuing use of the assets, discounted to a present value using an appropriate market based pre-tax discount rate. The discount rate reflects the current market assessment of the time value of money and asset specific risks for which the cash flow estimates

9. Property, plant and equipment (continued)

have not been adjusted. For the BESS, the recoverable amount has been assessed using a replacement cost methodology, reflecting the estimated cost to replace the asset with a modern equivalent asset, adjusted for relevant factors including the asset's remaining useful life and condition.

Assets that have previously been impaired are assessed annually to determine if there has been a reversal in impairment. Where this exists, the impairment is reversed through the profit or loss only to the extent that the carrying value does not exceed the original carrying value net of depreciation and amortisation should the asset not have been impaired.

Reviews are undertaken on an asset-by-asset basis except where these assets do not generate cash flows independent of other assets. Where assets do not generate cash flows independent of each other the impairment assessment is based on the cash generating unit.

The Group assesses impairment at the end of each reporting period by evaluating conditions specific to it that may lead to indicators of impairment of assets. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows which are largely independent of the cash inflows from other assets or groups of assets (cash generating units). Key estimates and assumptions are made in determining the recoverable amount of assets including, but not limited to, electricity demand, wholesale electricity prices, a discount rate, cost of fuel and achievable market values for asset disposal.

Given the nature of the Group's operations, it is exposed to climate related risks and these are considered in determining the recoverable amounts of the CGUs.

Sources for the key estimates and assumptions in the impairment testing include:

- Market pricing and dispatch are based on the most recent management endorsed forecast. Longer term modelling is developed on a portfolio approach, based around recent observable peak/energy demand forecasts provided by AEMO and other sources, available at the time of evaluation, combined with internally developed assumptions around forecast coal and gas prices, new entrants and retirements and the impact of renewable energy targets.
- All other costs are based on the most recent management endorsed forecast.
- Capital expenditure required over the CGU's remaining life and transition to clean energy hubs.
- Escalation, taxation and discounting were applied in accordance with the Group's assumptions at the time of evaluation.
- The Group assumed a discount rate in order to calculate the present value of its projected cash flows. The discount rate represented a WACC for comparable companies operating in similar industries. Determination of the WACC requires separate analysis of the cost of equity and debt, and considers a risk premium based on an assessment of the risks related to the projected cash flows. Given coal-based generation is a non-renewable energy source, the risk premium incorporates the long-term viability of coal in the NEM.
- Selection of assumptions used to model the projected cash flows using the traditional approach to develop the base case scenario.
- The Group continues to develop its assessment of the potential impacts of climate change and the transition to a low-carbon economy and this has been considered in the assumptions used as part of the recoverable amount assessment.

Changes to the key estimates and assumptions outlined above in future years may have a material impact of the recoverable amounts of the Group's CGUs. The Group will continue to reassess the assumptions used in impairment testing of its thermal generation assets in future years.

9. Property, plant and equipment (continued)

Right-of-use assets

The Group leases offices, land, plant and equipment. Rental contracts for offices are typically made for fixed periods of 10 years.

Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line-basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life. While the Group revalues its land and buildings that are presented within property, plant and equipment, it has chosen not to do so for the right-of-use buildings held by the Group.

10. Intangibles

	Consolidated	
	2026 $'000	**2025 $'000**
Development right - at cost	114,280	114,054
Less: Accumulated amortisation	(12,195)	(6,083)
	102,085	**107,971**
Mining Information - at cost	14,737	-
Less: Accumulated amortisation and impairment	(330)	-
	14,407	**-**
Software - at cost	156,960	156,711
Less: Accumulated amortisation and impairment	(152,418)	(148,602)
	4,542	**8,109**
	121,034	**116,080**

10. Intangibles (continued)

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

	Mining information	Software	Development right	Total
Consolidated	**$'000**	**$'000**	**$'000**	**$'000**
Balance at 1 July 2024	3,029	12,812	87,158	102,999
Additions	-	209	23,819	24,028
Disposals	(2,846)	-	-	(2,846)
Impairment reversal	-	334	-	334
Amortisation expense	(183)	(5,246)	(3,006)	(8,435)
Balance at 30 June 2025	**-**	**8,109**	**107,971**	**116,080**
Additions	14,737	251	225	15,213
Amortisation expense	(330)	(3,818)	(6,111)	(10,259)
Balance at 30 June 2026	**14,407**	**4,542**	**102,085**	**121,034**

Application of accounting policies

Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is recognised in the profit or loss in the year in which the expenditure is incurred.

Software

Costs incurred in developing products or systems and costs incurred in acquiring software and licenses that will contribute to future period financial benefits through revenue generation and/or cost reduction are capitalised to software and systems. Costs capitalised include external direct costs of managed services as well as direct payroll and payroll related costs of employees' time spent on the project.

In addition, Stanwell has various software-as-a-service cloud computing arrangements in place. The Group does not have possession of the underlying software, rather, the Group has non-exclusive access and use of the software, over the contract period.

The accounting treatment of costs incurred in relation to these arrangements is to recognise contract fees for use of the application and customisation costs as an operating expense over the term of the service contract. Configuration costs, data conversion and migration costs, testing costs and training costs are recognised as an operating expense as the service is received.

Costs incurred for the development of software code that enhances or modifies, or creates additional capability to, existing on-premise systems and meets the definition of and recognition criteria for an intangible asset are recognised as intangible software assets. Judgement has been applied in determining whether the changes to the owned software meets the definition of and recognition criteria for an intangible asset in accordance with AASB 138 *Intangible Assets*.

Development right

Development right represents approval to develop renewable assets and includes intellectual property. Development right has finite useful economic life and amortisation shall begin when the asset is available for use. Development right is amortised over 30 years.

10. Intangibles (continued)

Acquisition of Development Assets:

The Lockyer Energy Project acquisition in the previous financial year included identifiable intangible assets related to the project's development of $23.8 million. In accordance with AASB 138 *Intangible Assets*, these have been recognised at their acquisition-date fair values and capitalised as part of development assets. Refer to note 9 for further information.

Mining lease and information

Mining information and mining leases acquired are carried at the net fair value at date of acquisition less amortisation and impairment losses. Mining lease represents right to extract coal and also gives the owner control over the resources.

Application of critical accounting estimates and judgements

Estimates of useful lives are reassessed annually, and any change in estimate is taken into account in the determination of future amortisation charges. Adjustments to useful life are made when considered necessary.

Impairment of intangible assets is considered along with property, plant and equipment. Refer to note 9 Property, plant and equipment.

11. Retirement benefit surplus

	Consolidated	
	2026 $'000	**2025 $'000**
Present value of the defined benefit obligation	(32,078)	(43,128)
Fair value of defined benefit plan assets	45,569	53,208
Net asset in the balance sheet	**13,491**	**10,080**

Superannuation plan

The Group contributes on behalf of its employees to a number of defined contribution funds as well as participating in the industry multiple employer superannuation fund, Brighter Super (the "Fund"), which consists of a defined contribution section and a defined benefit section. The defined contribution section receives fixed contributions from the Group, which are recognised as an expense as they become payable. The Group's legal or constructive obligation is limited to these contributions. The defined benefit section, which is closed to new members, provides lump sum benefits based on years of service and average salary.

The Fund is managed by a trustee company, Brighter Super Trustee (the 'Trustee'). The Trustee is responsible for managing the Fund for the benefit of all members, in accordance with the trust deed and relevant legislation. The Fund is regulated by the Australian Prudential Regulation Authority under the *Superannuation Industry (Supervision) Act 1993*.

Application of accounting policies

The present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets, together with adjustments for unrecognised past service costs, is recognised as a liability or asset in the balance sheet.

The present value of the defined benefit obligation is based on expected future payments which arise from membership of the Fund to the reporting date, calculated annually by an independent actuary using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of

11. Retirement benefit surplus (continued)

employee departures and periods of service. Expected future payments are discounted at the reporting date using market yields of high quality corporate bonds with terms to maturity that match, as closely as possible, the estimated future cash outflows.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised directly in other comprehensive income, in the period in which they occur. Future taxes that are funded by the Group and are part of the provision of the existing benefit obligation (e.g. taxes on investment income and employer contributions) are taken into account in measuring the net liability or asset.

Employer contributions and risk exposure

Employer contributions to the defined benefit section of the plan are based on recommendations by the plan's actuary. Actuarial assessments are made at no more than three yearly intervals, and the last such assessment was made during the year ended 30 June 2025 on the Fund Position as at 1 July 2024 by Towers Watson Australia Pty Ltd.

The method used to determine the employer contribution recommendations at the last actuarial review was the aggregate method. Under the aggregate method, the future contribution rates are determined, and are expected to be sufficient to fund the difference between the value of future benefits for existing defined benefit members and the value of the plan assets attributable to defined benefit members, over the future working lifetime of the existing defined benefit members.

Based on the actuary's recommendations in the actuarial review as at 1 July 2024, a contribution rate of nil (2025: nil) of defined benefit members' salaries has been adopted. In the event that further funding is required, the Group will immediately contribute that funding as required.

The Fund does not impose a legal liability on the Group to cover any deficit that exists in the Fund. If the Fund were wound up, there would be no legal obligation on the Group to make good any shortfall. The Trust Deed of the Fund states that if the Fund winds up, after the payment of all costs and the payment of all member benefits in respect of the period up to the date of termination, any remaining assets are to be distributed by the Trustee of the Fund, acting on the advice of an actuary, to the participating employers.

12. Loans receivable

Loan to Coronado – Asset-Based Revolving Credit Facility

On 27 November 2025, Stanwell entered into an asset-based revolving credit facility (ABL Facility) with Coronado Global Resources Inc. and certain of its subsidiaries, including Coronado Finance Pty Ltd and Coronado Curragh Pty Ltd (together, the Borrowers).

Under the arrangement, Stanwell acts as lender and has provided a revolving credit facility with a total commitment of $406.3 million (US$265.0 million) and a five-year maturity. Borrowings under the facility bear interest at 9% per annum, increasing to 12% per annum depending on the level of the borrowing base ratio.

Availability under the ABL Facility is limited to an eligible borrowing base, determined by applying agreed advance rates to eligible accounts receivable and inventory of the Borrowers.

Amounts outstanding under the facility are secured by:

a) first-ranking security interest over specified borrowing base collateral, including eligible accounts receivable and inventory of the Borrowers; and

b) second-ranking security interest over substantially all other assets of Coronado and the guarantor entities.

12. Loans receivable (continued)

The ABL Facility includes customary representations and covenants, including a quarterly borrowing base ratio test, and from 31 December 2027, requirements for the Borrowers to maintain specified gearing and interest coverage ratios.

The facility also contains customary review events and events of default, which may result in repayment obligations or termination of lending commitments.

In connection with the establishment of the ABL Facility, amendments were also made to existing coal supply agreements between Stanwell and Coronado (refer to note 8 – Coal supply arrangements).

The loan is recognised as a financial asset measured at amortised cost in accordance with AASB 9 *Financial Instruments*.

	Consolidated	
	2026 $'000	**2025 $'000**
Loans to Coronado	364,672	-
Less: Allowance for expected credit loss	(6,865)	-
	357,807	**-**

Accounting Policy

The loan receivable is a debt instrument within the scope of AASB 9 Financial Instruments and is measured at amortised cost as:

- the asset is held within business model whose objective is to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

Application of critical estimates and judgements

Credit risk

The financial asset counterparty has a credit rating in the CCC+ ratings range. An allowance provision equal to the 12 month expected credit loss has been recognised on the basis that the Group does not consider that there has been a significant increase in credit risk since initial recognition of the financial asset.

13. Derivative financial instruments

Financial assets and liabilities at fair value

	Consolidated	
	2026 $'000	**2025 $'000**
Current assets		
Electricity contracts - cash flow hedges	305,620	50,633
Electricity contracts - fair value through profit or loss	435,990	173,708
Foreign currency contracts - cash flow hedges	70	881
Environmental contracts - fair value through profit or loss	11,000	14,861
Power Purchase Agreements - fair value through profit and loss	11,192	52,778
Oil contracts - fair value through profit or loss	4,138	14
Equity option - fair value through profit or loss	-	26,516
	768,010	**319,391**
Non-current assets		
Electricity contracts - cash flow hedges	266,204	24,018
Electricity contracts - fair value through profit or loss	159,654	133,528
Environmental contracts - fair value through profit or loss	6,330	6,254
Power Purchase Agreements - fair value through profit and loss	24,177	392,321
Oil contracts - fair value through profit or loss	199	-
	456,564	**556,121**
Current liabilities		
Electricity contracts - cash flow hedges	(98,901)	(204,224)
Electricity contracts - fair value through profit or loss	(438,313)	(192,858)
Foreign currency contracts - cash flow hedges	(495)	(256)
Environmental contracts - fair value through profit or loss	(17,092)	(64,753)
Power Purchase Agreements - fair value through profit and loss	(53,740)	(24,219)
Oil contracts - fair value through profit or loss	-	(2,264)
	(608,541)	**(488,574)**
Non-current liabilities		
Electricity contracts - cash flow hedges	(44,418)	(59,561)
Electricity contracts - fair value through profit or loss	(310,221)	(224,147)
Foreign currency contracts - cash flow hedges	(5)	-
Environmental contracts - fair value through profit or loss	(4,512)	(7,433)
Power Purchase Agreements - fair value through profit and loss	(281,111)	(324,165)
Oil contracts - fair value through profit or loss	(967)	(1,137)
	(641,234)	**(616,443)**
Net derivative financial instrument assets/(liabilities)	**(25,201)**	**(229,505)**

13. Derivative financial instruments (continued)

Application of accounting policies

Derivatives and hedging activities

Derivative financial instruments include exchange traded and over-the-counter swaps, caps and option contracts for electricity, environmental certificate, oil and foreign currency price risk. Power purchase agreements are linked to a specific generation site and may include the acquisition or sale of electricity and / or environmental certificates. Power purchase agreements are assessed to determine if they are a derivative financial instrument or contain an embedded derivative. Equity option agreements are assessed to determine if they are a derivative financial instrument or contain an embedded derivative.

Derivatives are classified as fair valued through profit or loss unless they are designated as hedges of a particular risk associated with highly probable forecast transactions (cash flow hedges). Certain derivatives do not qualify for hedge accounting or are not designated as hedges but have been entered into for the risk management objective of economically hedging a risk. These derivatives are classified as fair valued through profit or loss.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is classified as fair valued through profit or loss or is designated as a hedging instrument, and if so, the nature of the item being hedged.

Derivative financial instruments, other than those held for trading, spanning both current and non-current periods are split into their current and non-current components prior to valuation. The fair value of these components is then classified as a current asset or liability when the maturity profile is less than 12 months, and classified as a non-current asset or liability when the maturity profile is greater than 12 months. Derivative financial instruments held primarily for the purpose of trading are classified as current.

Change in fair value recognised in the profit or loss

Gains and losses that are recognised in the statement of profit or loss and other comprehensive income from remeasuring the fair value of derivatives that do not qualify as effective hedging instruments are classified as “non hedge accounted change in fair value of derivative instruments”.

Hedge accounted change in fair value of derivative instruments

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated in equity reserves. An ineffective portion is recognised immediately in profit or loss within “non hedge accounted change in fair value of derivative instruments”.

Amounts accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss (for instance when the forecast sale that is hedged takes place). The gain or loss is recognised in profit or loss as other revenue.

The Group discontinues hedge accounting only when the hedging relationship ceases to meet the qualifying criteria. This includes when a hedging instrument expires or is sold or terminated. The discontinuance is accounted for prospectively. Any gain or loss accumulated in equity reserves at that time remains in equity and is reclassified to profit or loss, as other revenue, when the forecast transaction occurs.

Application of critical accounting estimates and judgements

The fair value of derivative financial instruments must be estimated for recognition, measurement and disclosure purposes. Valuation policies and procedures are developed by Group Risk, reviewed by Modelling Analytics and approved by the General Manager Risk and Energy Settlements. Changes in fair values of financial instruments are reported to management weekly and the Board monthly.

13. Derivative financial instruments (continued)

Fair value hierarchy

To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels prescribed under the accounting standards, being:

Level 1: The fair value of derivative financial instruments traded in active markets (publicly traded derivatives) is based on quoted market prices at the end of the reporting period. The quoted market price used for these derivatives is the last settled price.

Level 2: The fair value of derivative financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. All significant inputs required to fair value an instrument are observable.

Level 3: One or more of the significant inputs is not based on observable market data.

The following tables present the fair value of the Group's financial derivative instruments classified into the three levels:

	Level 1	Level 2	Level 3	Total
2026	**$'000**	**$'000**	**$'000**	**$'000**
Recurring fair value measurement				
Assets				
Current derivative financial instrument assets	461,831	270,378	35,801	768,010
Non-current derivative financial instrument assets	292,995	129,245	34,324	456,564
Total assets	**754,826**	**399,623**	**70,125**	**1,224,574**
Liabilities				
Current derivative financial instrument liabilities	(423,041)	(91,824)	(93,676)	(608,541)
Non-current derivative financial instrument liabilities	(291,467)	(30,489)	(319,278)	(641,234)
Total liabilities	**(714,508)**	**(122,313)**	**(412,954)**	**(1,249,775)**
Net derivative financial instrument (liabilities)	**40,317**	**277,310**	**(342,829)**	**(25,201)**

	Level 1	Level 2	Level 3	Total
2025	**$'000**	**$'000**	**$'000**	**$'000**
Recurring fair value measurement				
Assets				
Current derivative financial instrument assets	167,904	53,910	97,577	319,391
Non-current derivative financial instrument assets	137,016	23,725	395,380	556,121
Total assets	**304,920**	**77,635**	**492,957**	**875,512**
Liabilities				
Current derivative financial instrument liabilities	(260,432)	(151,217)	(76,925)	(488,574)
Non-current derivative financial instrument liabilities	(179,576)	(44,738)	(392,129)	(616,443)
Total liabilities	**(440,008)**	**(195,955)**	**(469,054)**	**(1,105,017)**
Net derivative financial instrument (liabilities)	**(135,088)**	**(118,320)**	**23,903**	**(229,505)**

13. Derivative financial instruments (continued)

The Group's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

There were no transfers between levels 1 and 2 for derivative financial instrument fair value measurements during the year. Transfers out of level 3 were into level 2 as a result of the availability of additional observable forward prices.

The following table presents the changes in level 3 derivative financial instruments for the years ended 30 June 2026 and 30 June 2025.

	2026	2025
Level 3 Net assets	**$'000**	**$'000**
Balance at the beginning of the year	**23,903**	**271,463**
Gains/(losses) recognised in profit or loss	(323,967)	(277,013)
Gains/(losses) recognised in other comprehensive income	62,385	(7,668)
Purchases	-	26,516
Settlements	(99,606)	11,441
Transfers out of level 3 into level 2	(5,544)	(836)
Balance at the end of the year	**(342,829)**	**23,903**
Total unrealised losses for the year included in profit or loss that relate to level 3 derivative financial instruments held at the end of the year	**(129,677)**	**(270,088)**

The significant valuation techniques and processes used to value derivative financial instruments categorised within level 2 and level 3 are:

- Market comparison technique: The fair values are based on broker quotes. Similar contracts are traded in an active market and the quotes reflect the actual transactions in similar instruments.
- Adjusted market comparison technique: Broker quotes are adjusted using a number of long-term curve scenarios sourced from Intelligent Energy Systems Pty Ltd (IES), which are weighted by the strike prices of existing long-terms deals in the portfolio to determine the fair value where a product does not have an observable market price.
- Option valuation model using implied volatility where terms are not identical to market quoted prices.
- Credit risk factors applied to adjust fair values for non-performance risk.
- Forward curve decomposition methodology using historic electricity settled prices and independently sourced modelled scenarios to interpolate over-the-counter forward prices to a greater level of granularity.
- Market prices for long term power purchase agreements are determined using the "adjusted market comparison technique" and the "forward curve decomposition methodology". The expected generation profile of each project is determined using site specific data.
- Where power purchase agreements have an LGC component, the market price of LGCs is determined by a process of linear interpolation from the last observable market price to a value of zero at the end of the LGC scheme, unless an observable price is present. The expected quantity of generated LGCs is determined using site specific data.

The significant inputs used in these valuation techniques are:

- Published over-the-counter forward prices;
- Exchange traded market prices;
- IES long-term forward curve scenarios;
- Market volatilities;
- Discount factors;
- Credit risk factors;
- Forecast generation; and
- Electricity settled prices.

13. Derivative financial instruments (continued)

The following table summarises the quantitative information about the significant unobservable inputs used in Level 3 fair value measurements of derivative financial instruments. The analysis was prepared by changing the significant unobservable input to a reasonably possible alternative, while holding other inputs (including discount factors and credit value adjustments) constant.

2026			
Class of derivative financial instrument	**Fair value included in level 3 liability $'000**	**Unobservable inputs**	**Relationship of unobservable inputs to fair value**
Electricity contracts - fair value through profit or loss	(37,729)	Adjustment of broker quotes using a number of IES long-term forward curve scenarios, weighed by the strike prices of existing long-term deals in the portfolio to determine the fair value where a product does not have an observable market price.	A 20% increase or decrease in the unobservable forward price used in the contract valuations would result in a $3,197,000 increase or decrease in the fair value liability.
Electricity contracts - cash flow hedges	(4,529)	Adjustment of broker quotes using a number of IES long-term forward curve scenarios, weighted by the strike prices of existing long-term deals in the portfolio to determine the fair value where a product does not have an observable market price.	A 20% increase or decrease in the unobservable forward price used in the contract valuations would result in a $1,593,000 increase or decrease in the fair value liability.
Power Purchase Agreements - fair value through profit or loss	(299,482)	Adjustment of broker quotes using a number of IES long-term forward curve scenarios, weighed by the strike prices of existing long-term deals in the portfolio to determine the fair value where a product does not have an observable market price.	A 20% increase or decrease in the unobservable forward price used in the contract valuations would result in a $19,541,000 decrease or $33,257,000 increase respectively in the fair value liability.
		Site specific forecast generation to determine the fair value where a product does not have a fixed volume.	A 20% increase or decrease in the generation forecasts used in the contract valuations would result in a $48,368,000 increase or decrease in fair value liability.

13. Derivative financial instruments (continued)

2025			
Class of derivative financial instrument	**Fair value included in level 3 Asset $'000**	**Unobservable inputs**	**Relationship of unobservable inputs to fair value**
Electricity contracts - fair value through profit or loss	(81,028)	Adjustment of broker quotes using a number of IES long-term forward curve scenarios, weighed by the strike prices of existing long-term deals in the portfolio to determine the fair value where a product does not have an observable market price.	A 20% increase or decrease in the unobservable forward price used in the contract valuations would result in a $11,520,000 increase or decrease in the fair value liability.
Electricity contracts - cash flow hedges	(15,322)	Adjustment of broker quotes using a number of IES long-term forward curve scenarios, weighted by the strike prices of existing long-term delas in the portfolio to determine the fair value where a product does not have an observable market price.	A 20% increase or decrease in the unobservable forward price used in the contract valuations would result in a $2,149,000 increase or decrease in the fair value liability.
Power Purchase Agreements - fair value through profit or loss	96,715	Adjustment of broker quotes using a number of IES long-term forward curve scenarios, weighed by the strike prices of existing long-term deals in the portfolio to determine the fair value where a product does not have an observable market price.	A 20% increase or decrease in the unobservable forward price used in the contract valuations would result in a $189,186,000 increase or decrease in the fair value asset.
		Site specific forecast generation to determine the fair value where a product does not have a fixed volume.	A 20% increase or decrease in the generation forecasts used in the contract valuations would result in a $50,642,000 increase or decrease in the fair value asset.

Master netting arrangements - not currently enforceable

Agreements with energy industry counterparties are based on an International Swaps and Derivatives Association (ISDA) Master Agreement and similar agreements. Under the terms of these arrangements, only where certain credit events occur (such as default), the net position owing/receivable to a single counterparty in the same currency will be taken as owing and all the relevant arrangements terminated. As the Group does not presently have a legally enforceable right of set-off, these amounts have not been offset in the balance sheet, but have been presented separately in the following tables. The net amount of financial assets summarised in the following tables best represent the Group's maximum exposure to credit risk on those derivatives at the reporting date.

13. Derivative financial instruments (continued)

2026	Amounts presented in the balance sheet $'000	Amounts subject to master netting agreements $'000	Financial instrument collateral $'000	Net amount $'000
Financial assets				
Derivative financial instrument assets	1,224,574	(878,274)	(51,605)	294,695
Total	**1,224,574**	**(878,274)**	**(51,605)**	**294,695**
Financial liabilities				
Derivative financial instrument liabilities	(1,249,775)	878,274	-	(371,501)
Other current liabilities	(66,323)	-	51,605	(14,718)
Total	**(1,316,098)**	**878,274**	**51,605**	**(386,219)**

2025	Amounts presented in the balance sheet $'000	Amounts subject to master netting agreements $'000	Financial instrument collateral $'000	Net amount $'000
Financial assets				
Derivative financial instrument assets	875,512	(429,887)	-	445,625
Cash collateral	133,994	-	(133,994)	-
Total	**1,009,506**	**(429,887)**	**(133,994)**	**445,625**
Financial liabilities				
Derivative financial instrument liabilities	(1,105,017)	429,887	133,994	(541,136)
Total	**(1,105,017)**	**429,887**	**133,994**	**(541,136)**

Equity option – fair value through profit and loss

The equity option recognised as a current derivative financial asset at 30 June 2025 represented a call option that provided the Group with the option to acquire 100% of the shares in an entity holding the rights to develop a wind farm.

During the year ended 30 June 2026, the Group's rights under the option agreement ceased following the transfer of the underlying project to another party. As a result, the derivative financial asset no longer met the definition of an asset and was derecognised in accordance with AASB 9 *Financial Instruments*. The fair value of the equity option at the date of derecognition was assessed as nil, with the resulting fair value loss recognised in profit or loss. Accordingly, no derivative financial asset is recognised at 30 June 2026.

Financial risk management objectives

The Group's activities expose it to a variety of financial risks: market risk (including commodity price risks and interest rate risk), credit risk and liquidity risk. The Group's overall risk management program focuses mainly on the unpredictability of the electricity and financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. The Group uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate and electricity commodity price risks, a counterparty credit ratings analysis for credit risk and a contracts aging analysis for liquidity risk.

13. Derivative financial instruments (continued)

Financial risk management is carried out by the Finance division under policies approved by the Board. The Energy Markets division identifies, evaluates and hedges market risks. The Board provides written principles for overall risk management, as well as policies covering specific areas, such as mitigating interest rate and credit risk, use of derivative financial instruments and investment of surplus funds.

Commodity price risk

The Group uses derivative financial instruments to hedge certain risk exposures, primarily exposure to fluctuations in the prices of wholesale electricity and environmental certificates.

Electricity contracts

The Group is exposed to electricity price movements in the NEM. To manage this electricity price risk, the Group has entered into electricity sales contracts and a number of electricity derivatives (including over-the-counter and exchange traded swaps, caps and option contracts) in accordance with the Board approved Trading Risk Management Policy. The derivatives are timed to settle contemporaneous with the cash flows of the economically hedged electricity sales and purchases. Electricity price risk exposures are measured weekly through the review of the Group's mark-to-market exposure of the net derivative asset and liability position and relevant at-risk simulation methods.

Environmental contracts

The Group is exposed to environmental certificate price movements through their requirement to comply with various regulatory environmental schemes as part of their normal business operations.

To manage its environmental certificate price risk, the Group contracts the acquisition of environmental certificates under power purchase agreements and buys and sells certificates in both the spot and forward markets. The contracts to buy and sell in the spot and forward markets are classified as environmental derivative contracts. These certificates are classified as inventory.

Sensitivity analysis

The following table summarises the sensitivity of the Group's derivative financial instruments to electricity and environmental price risk. The analysis is performed on a pre-tax basis using similar information to that which would be provided to management and reflects the impact on the Group's financial position at balance date should upward and downward movements of electricity forward prices of 20% (2025:20%) or environmental certificate forward prices of 20% (2025:20%) occur.

	Average price increase			Average price decrease		
	% change	Effect on profit before tax	Effect on equity	% change	Effect on profit before tax	Effect on equity
		$'000	$'000		$'000	$'000
Electricity price - 2026	20%	51,649	(321,931)	(20%)	(7,972)	345,585
Electricity price - 2025	20%	350,971	(500,188)	(20%)	(343,539)	492,731
Environmental price - 2026	20%	11,266	-	(20%)	(11,680)	-
Environmental price - 2025	20%	39,416	-	(20%)	(40,163)	-

Credit risk

Credit risk exposure refers to the situation where the Group may incur financial loss as a result of another party to a financial instrument failing to fulfil their contractual obligation. Concentrations of credit risk exist for groups of counterparties when they have similar economic characteristics that would cause their ability to

13. Derivative financial instruments (continued)

meet contractual obligations to be similarly affected by changes in economic or other conditions. Derivative counterparty credit risk exposures are predominantly to financial institutions and energy market participants.

The Group utilises industry practice credit review processes and security instruments to manage its credit risks. The Group's credit risk exposure for derivatives is managed by trading with energy industry counterparties under ISDA agreements. The credit exposure of derivatives is calculated utilising a value at risk methodology which takes into account the current market value, duration of exposure, diversification of the counterparty's market operations, likelihood of default of the counterparty, the expected loss given default, credit collateral and the volatility of market prices. The Group manages its exposure to credit risk for certain derivatives on a net position basis for each of the counterparties. Those net positions are provided in the preceding section "master netting arrangements not currently enforceable". The fair values of derivatives include adjustment for credit risk factors.

A summary of the credit quality of derivative financial assets is assessed by reference to external credit ratings as reflected in the following table:

	Consolidated	
	2026 $'000	2025 $'000
AA+ to AA-	156,931	13,825
A+ to A-	849,827	330,890
BBB+ to BBB-	130,846	26,222
Other and non-rated	86,970	504,575
	1,224,574	**875,512**

Credit risk incorporates the risks associated with the Group transacting with customers and counterparties who could be impacted by climate change or by changes to laws, regulations or other policies adopted by governments or regulatory authorities including carbon pricing and climate change adaptation or mitigation policies.

Liquidity risk

The Group is subject to cash flow volatility and manages a substantial portion of that risk by entering into derivatives. To the extent that volatility still arises, the Group manages liquidity risk by maintaining sufficient cash and undrawn facilities to meet unexpected volatility, refer note 19 Non-current borrowings.

The following table analyses the Group's remaining contractual maturity for its derivative financial instrument liabilities which are net settled in cash. The table is based on the undiscounted net cash flows and the earliest date on which they are required to be paid and excludes net settled derivative liabilities without a future cash flow due to cash collateral already paid.

	1 year or less	Between 1 and 5 years	Greater than 5 years	Total contractual cash flows	Discounting	Carrying amount
	$'000	$'000	$'000	$'000	$'000	$'000
Derivative financial instrument liabilities net settled - 2026	116,765	160,252	107,599	384,616	(42,911)	341,705
Derivative financial instrument liabilities net settled - 2025	145,567	65,416	230,111	441,094	(28,417)	412,677

13. Derivative financial instruments (continued)

The following table analyses the Group's remaining contractual maturity for its derivative forward agreements to purchase non-financial items for cash. The table is based on the undiscounted prices specified in the power purchase and forward agreements and the earliest date on which they are required to be paid. These power purchase and forward agreements may have either a positive or a negative fair value at the reporting date and accordingly be reported either as a derivative asset or a derivative liability.

	1 year or less	Between 1 and 5 years	Greater than 5 years	Total contractual cash flows
	$'000	$'000	$'000	$'000
Derivative financial instrument gross settled payable - 2026	86,463	207,334	67	293,864
Derivative financial instrument gross settled payable - 2025	143,871	302,393	38,661	484,925

Hedge accounting activities - cash flow hedges

The electricity derivatives designated as cash flow hedges of electricity sales are a net cash flow of receiving fixed price and paying variable observed NEM price per megawatt hour. The electricity derivatives designated as cash flow hedges of electricity purchases are a net cash flow of receiving variable observed NEM price and paying fixed price per megawatt hour. These derivatives are entered into as part of the economic hedging strategies in accordance with the Trading Risk Management Policy.

The cash flows of the hedged electricity sales and purchases are expected to occur over the next 5 years (2025: 5 years), with the hedge reserve reclassifications to the profit or loss within the same financial years as the cash flows.

The Group documents at the inception of the hedging transaction, the relationship between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions have been and will continue to be highly effective in offsetting changes in cash flows of hedged items.

There is an economic relationship between the hedged items and the hedging instruments as the terms of the electricity swaps closely match the nominal amount and expected settlement date of the expected highly probable forecast transactions. The Group has established a hedge ratio of 1:1 for the hedging relationships as the underlying risks of the contracts are identical to the hedged risk component (electricity price). To test the hedge effectiveness, the Group uses the hypothetical derivative method and compares the changes in the fair value of the hedging instruments against the changes in fair value of the hedged items attributable to the hedged risks.

The hedge ineffectiveness can arise from:

- Differences in the periodic volumes of the hedging instruments and hedged items;
- Different indexes (forward electricity prices) linked to the hedged risk of the hedged items and hedging instruments;
- The counterparties' credit risk differently impacting the fair value movements of the hedging instruments and hedged items; and
- Changes to forecast timing of the cash flows of the hedged items and the hedging instruments.

13. Derivative financial instruments (continued)

The impact of the electricity swap hedging instruments on the balance sheet is, as follows:

As at 30 June 2026	Highly probable forecast electricity sales $'000	Highly probable forecast electricity purchases $'000	Total $'000
Current assets	305,168	452	305,620
Non-current assets	265,900	304	266,204
Current liabilities	(1,384)	(97,517)	(98,901)
Non-current liabilities	(3,112)	(41,306)	(44,418)
Nominal amount of electricity swap hedging instruments	**32,170,445 MWH**	**6,953,118 MWH**	
The fixed cash flows are for prices per MWh of:	**$69 to $330**	**$39 to $311**	

As at 30 June 2025	Highly probable forecast electricity sales $'000	Highly probable forecast electricity purchases $'000	Total $'000
Current assets	23,907	26,726	50,633
Non-current assets	18,656	5,362	24,018
Current liabilities	(199,495)	(4,729)	(204,224)
Non-current liabilities	(57,441)	(2,120)	(59,561)
Nominal amount of electricity swap hedging instruments	**30,349,276 MWh**	**4,917,166 MWh**	
The fixed cash flows are for prices per MWh of:	**$51 to $360**	**$24 to $223**	

The effect of the cash flow hedge in the statement of profit or loss and other comprehensive income is as follows:

	Effective gain/(loss) recognised in OCI $'000	Ineffective gain/(loss) recognised in profit or loss $'000	Change in fair value of hedging instrument $'000	Change in fair value of the hedged item attributable to the hedged risk $'000	Gain/(loss) reclassified from OCI to profit or loss $'000
Year ended 30 June 2026					
Highly probable forecast electricity sales	1,233,430	84,062	1,317,492	(1,248,019)	481,585
Highly probable forecast electricity purchases	(296,731)	(4,765)	(301,496)	297,926	(138,783)
	936,699	**79,297**	**1,015,996**	**(950,093)**	**342,802**
Year ended 30 June 2025					
Highly probable forecast electricity sales	17,363	59,043	76,406	(19,966)	(415,723)
Highly probable forecast electricity purchases	4,830	(1,861)	2,969	(4,768)	100,892
	22,193	**57,182**	**79,375**	**(24,734)**	**(314,831)**

13. Derivative financial instruments (continued)

Ineffectiveness recognised in profit or loss is included in "non hedge accounted change in fair value of derivative instruments".

	2026	2025
	$'000	**$'000**
Cash flow hedge reserve movements		
Balance at the beginning of the year	**(122,375)**	**(359,126)**
Effective portion of changes in fair value of cash flow hedges of electricity swaps	936,699	22,193
Effective portion of changes in fair value of cash flow hedges of currency forwards	(916)	1,048
Net change in fair value of cash flow hedges of electricity swaps transferred to other revenue	(342,802)	314,831
Net change in fair value of cash flow hedges of currency forwards transferred to property, plant and equipment	(1,299)	144
Income tax equivalent relating to these items	(177,505)	(101,465)
Balance at the end of the year	**291,802**	**(122,375)**
Represented by:		
Balances for continuing hedges		
Highly probable forecast electricity sales	374,213	(141,965)
Highly probable forecast electricity purchases	(92,975)	17,196
Highly probable forecast foreign currency purchases	(301)	437
Balances remaining for which hedge accounting is no longer applied		
Highly probable forecast electricity sales	11,258	1,145
Highly probable forecast electricity purchases	(393)	-
Highly probable forecast foreign currency purchases	-	812
	291,802	**(122,375)**

14. Trade and other payables

	Consolidated	
	2026 $'000	**2025 $'000**
Trade payables	136,322	169,504
Accrued expenses	168,863	171,771
	305,185	**341,275**

14. Trade and other payables (continued)

Trade and other payables represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. These amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting date.

Application of accounting policies

The Group recognises an amount payable where contractually obliged or where there is a past practice that has created a constructive obligation. The Group accrues an expense for bonuses based on a formula that takes into consideration, amongst other factors, the profit attributable to the Company's shareholders after certain adjustments.

15. Current provisions

	Consolidated	
	2026 $'000	**2025 $'000**
Employee benefits	74,942	69,420
Dividends	-	335,900
Restoration, rehabilitation and decommissioning	7,125	12,137
	82,067	**417,457**

Dividends

Refer to note 21 Dividends for further information.

Amounts not expected to be settled within the next 12 months

The current provision for employee benefits includes annual and long service leave. The entire amount of the provision is presented as current, since the Group does not have an unconditional right to defer settlement for any of these obligations. However, based on past experience, the Group does not expect all employees to take the full amount of leave or require payment within the next 12 months. The following amounts reflect leave that is not to be expected to be taken or paid within the next 12 months:

	Consolidated	
	2026 $'000	**2025 $'000**
Employee benefits obligation expected to be settled after 12 months	25,240	21,402

Application of accounting policies

A provision is recognised when the consolidated entity has a present (legal or constructive) obligation as a result of a past event, it is probable the consolidated entity will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

15. Current provisions (continued)

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

16. Other current liabilities

	Consolidated	
	2026 $'000	**2025 $'000**
Deferred income	-	18,752
Cash collateral	66,323	1,683
Other current liabilities	238	999
	66,561	21,434

Refund liabilities are recognised where the consolidated entity receives consideration from a customer and expects to refund some, or all, of that consideration to the customer. A refund liability is measured at the amount of consideration received or receivable for which the consolidated entity does not expect to be entitled and is updated at the end of each reporting period for changes in circumstances. Historical data is used across product lines to estimate such returns at the time of sale based on an expected value methodology.

Deferred income

Deferred income includes grants received by the group for which the corresponding grant income has not yet been earned or recognised. It is recorded as a liability on the balance sheet until the group fulfils the conditions or performance obligations associated with the grant or payment. It also includes payments from retail customers received in advance.

Cash collateral

Cash collateral is maintained to support the margin requirements that are required to be held to cover positions traded on the Australian Securities Exchange. The margin requirement comprises an initial margin which is designed to reduce systemic risk and ensure that market/counterparty obligations are met even if a clearing participant was to default, and a variation margin which is equal to the fair value of the Company's exchange-traded derivative positions, refer note 13 Derivative financial instruments. The existing positions will unwind over the next three years, while new positions will be taken in the ordinary course of business.

17. Non-current provisions

	Consolidated	
	2026 $'000	**2025 $'000**
Employee benefits - long service leave	2,471	1,952
Restoration, rehabilitation and decommissioning	543,445	493,385
Other provisions	24,048	20,927
	569,964	**516,264**

17. Non-current provisions (continued)

Consolidated - 2026	Total Restoration $'000
Carrying amount at the start of the year	**505,522**
Payments	(7,982)
Movement in estimates	31,575
Unwinding of discount	21,455
Carrying amount at the end of the year	**550,570**

Long-term employee benefit obligations

The liability for long service leave which is not expected to be settled within 12 months after the end of the period in which the employees render the related service is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted at the end of the reporting period using appropriate market based pre-tax discount rates with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least 12 months after the reporting date, regardless of when the actual settlement is expected to occur.

Superannuation

A defined contribution plan receives fixed contributions from the Group and the Group's legal or constructive obligation is limited to these contributions. The contributions are recognised as an expense as they become payable.

Restoration, rehabilitation and decommissioning

Future costs associated with the rehabilitation of power station sites, the closure and restoration of coal mines, the make-good of corporate office space, and the provision for rehabilitation of renewable energy assets are estimated and provided for. For mining activities, restoration and rehabilitation costs are accounted for in the period when the related disturbance occurs, whether during site development or production, based on the net present value of estimated future costs. Similarly, the costs associated with renewable energy assets are provided for based on their specific closure plans. Provisions do not cover additional obligations expected from future disturbances. Cost estimates are reviewed annually to incorporate known developments and are subject to formal review at regular intervals throughout the life of the operation.

When provisions for restoration and rehabilitation are initially recognised, the corresponding cost is capitalised as an asset, representing part of the cost of acquiring the future economic benefits of the operation. The capitalised cost is amortised over the estimated economic life of the operation. The value of the provision is progressively increased over time as the effect of the discounting unwinds, creating an expense which is recognised as a finance cost. The amortisation or 'unwinding' of the discount applied in establishing the net present value of provisions is charged to the profit or loss in each accounting period. The amortisation of the discount is shown as a financing cost, rather than as an operating cost.

17. Non-current provisions (continued)

Application of accounting estimates and judgements

Employee benefits

Provisions for employee benefits are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the reporting date. The discount rate used to determine the present value reflects current market assessments of the time value of money and the risks specific to the liability.

Restoration, rehabilitation and decommissioning

The costs for the restoration of site damage which arises during production are provided at their net present values and charged against operating profits as the extraction progresses. This calculation requires the use of key assumptions including the timing of restoration work, legal requirements, potential changes in climate conditions and a discount rate.

Provisions for Restoration, rehabilitation and decommissioning obligations are based on risk adjusted cash flows. These estimates have been discounted to their present value at a pre-tax risk free rate, based on an estimate of the long-term, risk free, pre-tax cost of borrowing. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability.

The range of the pre-tax discount rates used in determining the present value were 4.55% to 4.75% (2025: 4.25% to 4.75%).

Future climate-related conditions, legislation and policies may have an impact on these estimates and will continue to be monitored.

18. Current borrowings

	Consolidated	
	2026 $'000	**2025 $'000**
Unsecured borrowings	46,521	40,350
Lease liability	1,911	4,528
	48,432	**44,878**

Unsecured borrowings are provided by QTC (principal due in the next 12 months). Additional information about the long term debt facility is included in note 19 Non-current borrowings.

Application of accounting policies

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- Fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable by the Group under residual value guarantees;
- The exercise price of a purchase option, if the Group is reasonably certain to exercise that option; and
- Payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of liability.

18. Current borrowings (continued)

The lease payments are discounted using the interest rate implicit in the lease. If the rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Group:

- Where possible, uses recent third party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received;
- Uses a build-up approach that starts with a risk free interest rate adjusted for credit risk for leases held, which does not have recent third party financing; and
- Makes adjustments specific to the lease (e.g. term and security).

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Variable lease payments

Property leases contain variable payment terms relating to outgoings. Outgoings means all expenses paid or payable by the Landlord and legally recoverable from the Tenant for a financial year in connection with the Land and Building including for example all levies, taxes, rates, water, refuse collection, fire services levies, insurance premiums, cleaning and maintenance expenditure. The Company treats outgoings as a non-lease component and recognises as an operating expense in the profit or loss as incurred.

Extension and termination options

Extension options are included in a number of property leases across the Group. These are used to maximise operational flexibility in terms of managing the assets used in the Group's operations.

Critical judgements in determining the lease term

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option. Extension options are only included in the lease term if the lease is reasonably certain to be extended.

Extension options for office leases have not been included in the lease liability, because the Group could replace the assets without significant cost or business disruption.

19. Non-current borrowings

Financial liabilities at amortised cost

	Consolidated	
	2026 $'000	**2025 $'000**
Unsecured borrowings	1,888,036	1,144,581
Lease liability	44,414	40,343
	1,932,450	**1,184,924**

19. Non-current borrowings (continued)

Unsecured borrowings

Unsecured long-term borrowings of $1,934,557,278 (2025: $1,184,930,949) are provided by QTC and include $46,520,781 (2025: $40,350,236) of current borrowings, refer note 18 Current borrowings and $1,888,036,497 (2025: $1,144,580,713) of non-current borrowings.

Lease liabilities

Refer to note 18 Current borrowings for further information on lease liabilities.

Fair value

The market value of unsecured borrowings for the Group at 30 June 2026 was $1,868,930,599 (2025: $1,138,892,999) compared to a carrying amount of $1,934,557,278 (2025: $1,184,930,948). The market value is the price that the notional underlying debt instruments funding the loan could be realised at balance date as advised by QTC. This is classified as level 2 in the fair value movements hierarchy.

Application of accounting policies

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of borrowing facilities are recognised as transaction costs of the borrowings to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

When the Group exchanges with the existing lender one debt instrument into another one with the substantially different terms, such exchange is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, the Group accounts for substantial modification of terms of an existing liability or part of it as an extinguishment of the original financial liability and the recognition of a new liability. It is assumed that the terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective rate is at least 10 per cent different from the discounted present value of the remaining cash flows of the original financial liability. If the modification is not substantial, the difference between: (1) the carrying amount of the liability before the modification; and (2) the present value of the cash flows after modification is recognised in profit or loss as the modification gain or loss within other gains and losses.

Where the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period, these are classified as non-current liabilities.

Financial risk management objective

Interest rate risk

Interest rates on the unsecured borrowings are at book rate which is reviewed and updated as necessary once per year to reflect the evolving market rate of interest that the QTC pays to investors to service the underlying bond funding. The total interest rate payable includes a Competitive Neutrality Fee payable to Queensland Treasury, representing the difference between the cost at which QTC is able to source debt and the estimated cost of debt for the Company were it to be a stand-alone entity not owned by the Queensland Government. The Competitive Neutrality Fee can be adjusted up or down according to changes in credit quality of the Company and market changes to the relative cost of debt compared with a highly-rated government issuer.

19. Non-current borrowings (continued)

An increase/decrease in interest rates of 100 basis points (2025: 100 basis points) would have an adverse/favourable effect as described in the following tables. The percentage change is based on the expected volatility of interest rates using QTC forecasts.

	Basis price increase			Basis points decrease		
		Effect on profit before tax	Effect on equity		Effect on profit before tax	Effect on equity
	%	$'000	$'000	%	$'000	$'000
2026						
Cash and cash equivalents	1.00%	1,436	-	(1.00%)	(1,436)	-
Advances facility	1.00%	320	-	(1.00%)	(320)	-
Borrowings	1.00%	(215)	-	(1.00%)	267	-
		1,541	**-**		**(1,489)**	**-**
2025						
Cash and cash equivalents	1.00%	(117)	-	(1.00%)	160	-
Advances facility	1.00%	814	-	(1.00%)	(814)	-
Borrowings	1.00%	(129)	-	(1.00%)	168	-
		568	**-**		**(486)**	**-**

Liquidity risk

The Group is subject to cash flow volatility and manages a substantial portion of that risk by entering into derivatives. To the extent that volatility still arises, the Group manages liquidity risk by maintaining sufficient cash and undrawn facilities to meet unexpected volatility. The Group uses stress testing to measure extreme cash flow risk. The Group has access to QTC funds subject to shareholding Ministers' approval. Ongoing credit criteria and reporting requirements must be met and the facility is assessed by QTC annually.

Capital management

The Group sources all long-term borrowings from QTC and QTC manages debt financing, including new debt raising and the re-financing of existing borrowings, on behalf of the Group in accordance with agreed benchmarks.

The Group monitors capital on the basis of agreed financial covenants (EBITDA Debt Service Coverage Ratio and Total Debt to Total Capital Ratio). QTC has provided Stanwell with a limited waiver in respect of these ratios until 31 October 2026.

Financing arrangements

The Group had access to the following undrawn borrowing facilities at the end of the reporting period:

	2026	2025
	$'000	$'000
Expiring within one year (bank overdraft and working capital facility)	602,000	602,000

19. Non-current borrowings (continued)

The overdraft facility is with the Australia and New Zealand Banking Group Ltd and has an approved limit of $2,000,000 (2025: $2,000,000). The working capital facility is with QTC and has an approved limit of $600,000,000 (2025: $600,000,000). Stanwell has a $389.7 million collateral facility (undrawn) with QTC to manage any liquidity timing variations. On 1 July 2024, an additional liquidity facility of $664.8 million was established with QTC.

As at 30 June 2026, the Group had drawn down $nil against the working capital facility (2025: $nil).

Remaining contractual maturities

The following table analyses the Group's remaining contractual maturity for its borrowings. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The table includes both interest and principal cash flows.

	1 year or less	Between 1 and 5 years	Over 5 years	Remaining contractual maturities
	$'000	$'000	$'000	$'000
Borrowings - 2026	130,596	914,655	1,628,787	2,674,398
Lease liability - 2026	1,911	13,657	30,757	46,325
Borrowings - 2025	82,993	355,162	1,309,650	1,747,805
Lease liability - 2025	4,528	17,791	22,552	44,871

20. Contributed equity

	Consolidated			
	2026	2026	2026	2025
	Shares	Shares	$'000	$'000
Ordinary shares (A class) - fully paid *	4	4	-	-
Ordinary shares (B class) - fully paid *	924,568,658	924,568,658	1,885,507	1,821,569
	924,568,662	**924,568,662**	**1,885,507**	**1,821,569**

* Balance of Ordinary shares comprises Share Capital and Transactions with owners

Movements in ordinary share capital

Details	Date	$'000
Balance	1 July 2024	1,289,946
Equity injection from Queensland Renewable Energy and Hydrogen Jobs Fund relating to Stanwell BESS Projects and Wambo Wind Farm	31 July 2024	129,961
Equity injection from Queensland Renewable Energy and Hydrogen Jobs Fund relating to Stanwell BESS Projects and Wambo Wind Farm	8 March 2025	401,662
Balance	30 June 2025	1,821,569
Equity injection from Queensland Renewable Energy and Hydrogen Jobs Fund relating to Stanwell BESS Projects	31 August 2025	63,938
Balance	30 June 2026	1,885,507

20. Contributed equity (continued)

Ordinary shares

The Company is wholly owned by the State of Queensland.

Holders of ordinary shares are entitled to receive dividends as declared from time to time and holders of A class shares are entitled to one vote per share at a shareholders' meeting. B class shares have non-voting rights at a shareholders' meeting. The shares have no par value.

In the event of winding up of the Company, ordinary shareholders rank after creditors and are fully entitled to any proceeds of liquidation.

21. Dividends

Dividends paid/payable during the financial year were as follows:

	Consolidated	
	2026 $'000	**2025 $'000**
Final dividend for the year ended 30 June 2026: nil (2025:36.3 cents) per fully paid share	-	335,900

	Consolidated	
	2026 $'000	**2025 $'000**
Dividends paid during the year	335,900	594,400

Application of accounting policies

A provision for dividends payable is recognised in the reporting period in which the dividends are declared, for the entire undistributed amount, regardless of the extent to which they will be paid in cash.

22. Income tax

	Consolidated	
	2026 $'000	**2025 $'000**
Income tax equivalent expense/(benefit)		
Current tax equivalent	124,546	137,373
Deferred tax equivalent	(311,184)	66,145
Adjustments for current tax equivalent of prior periods	(3,904)	(22,363)
Adjustment for deferred tax equivalent of prior periods	2,451	22,364
Aggregate income tax equivalent expense	**(188,091)**	**203,519**
Deferred tax included in income tax equivalent expense comprises:		
Decrease in deferred tax equivalent assets	(313,436)	(82,981)
Increase/(decrease) in deferred tax equivalent liabilities	2,252	149,126
Deferred tax equivalent	**(311,184)**	**66,145**
Numerical reconciliation of income tax equivalent expense/(benefit) and tax at the statutory rate		
Profit before income tax equivalent (expense)/benefit	(602,755)	632,751
Tax at the statutory tax rate of 30%	**(180,827)**	**189,825**
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Derecognition of deferred tax balances	6,684	1,583
Net capital gain	-	21,628
Non-deductible expenses	(12,495)	(9,519)
	(186,638)	203,517
Adjustments for tax equivalent of prior periods	(1,453)	2
Income tax equivalent expense	**(188,091)**	**203,519**
Tax equivalent benefit/(expense) relating to items of other comprehensive income and recognised directly in equity		
Cash flow hedges recognised in other comprehensive income	(177,894)	(101,422)
Cash flow hedges recognised in reserves	665	(40)
Actuarial (gains) on defined benefit plans	(1,246)	1,042
	(178,475)	**(100,420)**

The Company and its wholly owned Australian controlled entities form a tax consolidated group.

The Company as head entity in the tax consolidated group is required to make income tax equivalent payments to the State Government and is not liable to pay Commonwealth tax that would be payable if it were not a Government Owned Corporation.

These payments are made pursuant to section 129(4) of the *GOC Act* and are based upon rulings set out in the Treasurer's Tax Equivalents Manual. The National Tax Equivalents Regime gives rise to obligations which reflect in all material respects those obligations for taxation which would be imposed by the *Income Tax Assessment Act 1936* and the *Income Tax Assessment Act 1997*.

Income tax equivalent expense is made up of current tax equivalent expense and deferred tax equivalent expense. Current tax equivalent expense represents the expected tax payable on the taxable income for the year, using current tax rates and any adjustment to the tax payable in respect of previous years. Deferred tax equivalent expense represents change in temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base.

22. Income tax (continued)

	Consolidated	
	2026 $'000	2025 $'000
Deferred tax asset/(liability)		
Net deferred tax equivalent asset/(liability) comprises temporary differences attributable to:		
Employee benefits	30,438	19,796
Derivatives	1,880	68,638
Provisions	166,822	162,156
Other liabilities	12,184	35,457
Property, plant and equipment	(298,948)	(296,129)
Defined benefits plan	(4,047)	(3,024)
Inventories	(34,930)	(17,676)
Coronado balances	247,147	-
Other assets	4,896	26,242
Deferred tax asset/(liability)	**125,442**	**(4,540)**
Movements:		
Opening balance	**(4,540)**	**184,388**
Credited to profit or loss	308,732	(88,508)
Cash flow hedges charged to equity	(177,894)	(101,422)
Cash flow hedges recognised in reserves	390	(40)
Actuarial (gains)/losses on defined benefit plans	(1,246)	1,042
Closing balance	**125,442**	**(4,540)**

Tax effect accounting

The Group adopts the balance sheet approach to accounting for income tax equivalent payments.

Deferred tax equivalent balances arise when there are temporary differences between carrying amounts and the tax bases of assets and liabilities, other than for the following:

- Where the difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and affects neither the accounting profit nor taxable profit or loss;
- Where the temporary difference relates to investments in subsidiaries, associates and interests in joint arrangements to the extent the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- Where the temporary difference arises on the initial recognition of goodwill.

Deferred tax equivalent assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax equivalent assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled based on the tax rates and the tax laws that have been enacted or substantively enacted at the balance sheet date.

Tax equivalent assets and liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

22. Income tax (continued)

Current and deferred tax equivalent balances attributable to amounts recognised in other comprehensive income or directly in equity are also recognised in other comprehensive income or directly in equity.

	Consolidated	
	2026 $'000	2025 $'000
Income tax payment due	13,863	13,033

Tax consolidation

As a consequence of the establishment of the tax consolidated group, the current and deferred tax equivalent amounts for the tax consolidated group are allocated among the entities in the Group using a stand-alone taxpayer approach whereby each entity in the tax consolidated group measures its current and deferred taxes as if it continued to be a separate taxable entity in its own right. Deferred tax equivalent assets and deferred tax equivalent liabilities are measured by reference to the carrying amounts of the assets and liabilities in the Company's balance sheet and their tax values under consolidation.

The tax consolidated group has entered into a tax sharing agreement and tax funding agreement. The tax funding agreement requires each wholly owned controlled entity to pay to the Company the current tax equivalent liability (or asset) and any unused tax losses assumed by the Company. The tax sharing agreement sets out the allocation of income tax equivalent liabilities amongst the entities should the Company default on its tax obligations and the treatment of entities exiting the tax consolidated group.

In accordance with the tax funding agreement and *Interpretation 1052 Tax Consolidation Accounting*, any current tax liabilities (or assets) and deferred tax assets arising from unused tax losses from the wholly owned controlled entities in the tax consolidated group are recognised by the Company. To the extent that the amounts recognised by the Company and its wholly owned entities are equivalent, amounts payable to (receivable by) the Company are accounted for through inter-company loan accounts. Any differences between these amounts are recognised by the Company as an equity contribution to or distribution from the wholly owned controlled entities. Distributions firstly reduce the carrying amount of the investment in the wholly owned controlled entities and are then recognised as revenue.

23. Key Management Personnel

(a) Directors

The following persons were Directors of the Company and its subsidiaries during the financial year.

Directors

Paul Binsted – *Chair to 30 October 2025*
Justin Parer - *Chair from 30 October 2025*
Howard Morrison from 1 October 2023
Jane Schmitt to 14 August 2025
John Thompson to 14 August 2025
Kara Cook to 19 December 2024
Kirsty Chessher-Brown from 14 August 2025
Laurie Lefcourt from 1 June 2024
Marianna O'Gorman to 14 August 2025
Michael Anastas from 14 August 2025
Rachael Cronin from 14 August 2025
Rachel Condos - Fields from 14 August 2025

23. Key Management Personnel (continued)

(b) Chief Executive Officer and Senior Executives

The following Chief Executive Officer and Senior Executives, all of whom were employed by the Company, had the authority and responsibility for planning, directing and controlling the activities of the Group during the financial year:

Chief Executive Officer - Michael O'Rourke (appointed November 2021)
Chief Financial Officer - Catherine Cook (appointed August 2022)
Chief Operating Officer - James Oliver (appointed June 2019)
Executive General Manager Energy Markets - Stephen Quilter[1] (appointed executive July 2016)
Executive General Manager Business Services - Sophie Naughton[2] (appointed executive December 2019)
Executive General Manager Growth & Future Energy - Richard Jeffery[3] (appointed executive August 2023)
Executive General Manager Strategic Partnerships - removed[4]

1. Stephen Quilter was Executive General Manager Growth & Future Energy to 28 February 2026.
2. Sophie Naughton was Executive General Manager Energy Markets to 28 February 2026.
3. Richard Jeffery was Executive General Strategic Partnerships to 28 February 2026.
4. Role removed as part of the restructure of the Executive Leadership Team following the retirement of Executive General Manager Business Services Glenn Smith on (March 2026) where the number of Executive General Manager positions reduced from six to five.

(c) Remuneration of key management personnel

Directors

Directors' remuneration is determined by the shareholding Ministers. In addition, under the shareholding Ministers have determined remuneration payable to Directors who are members of various Board committees. *Government Owned Corporates Act 1993* and comprises Directors' remuneration comprises Directors' fees, committee fees and statutory superannuation contributions. Directors are reimbursed for reasonable expenses incurred whilst conducting business on behalf of the Company.

Directors' compensation does not include insurance premiums paid by the Company or related parties in respect of Directors' and officers' liabilities and legal expenses, as the insurance policies do not specify premiums paid in respect of individual directors. Directors do not receive performance related remuneration.

Chief and Senior Executives

Remuneration policy

The Company's Board approved *Chief and Senior Executive - Recruitment, Appointment and Remuneration Policy* provides that:

- recruitment and appointment of Senior Executives will be based on the principles of merit and equity;
- remuneration will be aligned to the Company's Corporate Plan and organisational objectives and reviewed regularly to ensure that strategic business requirements are supported; and
- remuneration arrangements will be consistent with the Queensland Government's Policy for Government Owned Corporations Chief and Senior Executive Employment Arrangements.

The Chief Executive Officer and Senior Executives are appointed by the Board and receive remuneration, comprising of base salary, superannuation, salary sacrifice items and other personal benefits. Remuneration is determined by individual performance, market competitiveness, government policy, Stanwell's capacity to pay and any relevant guidance from shareholding Ministers.

23. Key Management Personnel (continued)

The Chief Executive Officer and Senior Executives may also be eligible for short-term incentive payments, subject to Board approved performance objectives and assessment outcomes.

Employment arrangements

The Chief Executive Officer's appointment is approved by the shareholding Ministers upon recommendation of the Board. Other key management personnel are appointed by the Board.

Employment terms and remuneration are governed by individual employment contracts and are consistent with the *Queensland Government's Policy for Government Owned Corporation Chief and Senior Executive Employment Arrangements*, unless otherwise determined by shareholding Ministers. As at 30 June 2026, the Chief Executive Officer and all other key management personnel were employed on ongoing (tenured) employment arrangements.

(d) Details of remuneration

Details of the remuneration of each Director of the Company and each of the other key management personnel of the Group are set out in the following tables:

Directors of Stanwell Corporation Limited

	Short-term benefits		Post employment	
2026	**Cash salary**	**Committee Fees**	**Superannuation**	**Total**
	$'000	**$'000**	**$'000**	**$'000**
Justin Parer	73	5	10	88
Paul Binsted	38	2	5	45
Howard Morrison	55	6	8	69
Jane Schmitt	7	1	1	9
John Thompson	7	1	1	9
Kirsty Chessher-Brown	48	3	7	58
Laurie Lefcourt	55	7	8	70
Marianna O'Gorman	7	2	1	10
Michael Anastas	48	3	7	58
Rachael Cronin	48	3	7	58
Rachel Condos-Fields	48	3	7	58
	434	36	62	532

23. Key Management Personnel (continued)

2025	Short-term benefits		Post employment	
	Cash salary	Committee Fees	Superannuation	Total
	$'000	$'000	$'000	$'000
Paul Binsted	110	4	15	129
Howard Morrison	41	3	6	50
Jane Schmitt	55	4	8	67
John Thompson	55	4	8	67
Kara Cook	26	2	4	32
Laurie Lefcourt	55	7	8	70
Marianna O'Gorman	55	11	8	74
	397	35	57	489

Other key management personnel of the Group

2026	Short-term employee benefits			Post employment	Long term benefits		
	Cash salary	Bonus[1]	Non-monetary benefits	Superannuation	Long service leave	Termination benefits	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Chief Executive Officer	882	130	30	129	22	-	1,193
Chief Financial Officer	431	64	28	63	11	-	597
Chief Operating Officer	489	74	34	72	12	-	681
Executive General Manager Energy Markets	483	71	25	71	12	-	662
Executive General Manager Business Services	484	88	56	73	12	120	833
Executive General Manager Growth & Future Energy	463	67	27	68	12	-	637
Executive General Manager Strategic Partnerships	282	42	17	41	7	-	389
	3,514	536	217	517	88	120	4,992

1. Represents the bonus paid during the financial year for the performance of the previous financial year.

23. Key Management Personnel (continued)

2025	Short-term employee benefits			Post employment	Long term benefits	
	Cash salary	Bonus	Non-monetary benefits	Superannuation	Long service leave	Total
	$'000	$'000	$'000	$'000	$'000	$'000
Chief Executive Officer	853	126	29	125	21	1,154
Chief Financial Officer	414	60	27	60	10	571
Chief Operating Officer	470	70	33	69	12	654
Executive General Manager Energy Markets	464	69	24	68	12	637
Executive General Manager Business Services	415	61	29	61	10	576
Executive General Manager Growth & Future Energy	464	68	23	68	12	635
Executive General Manager Strategic Partnerships	407	59	27	60	10	563
	3,487	513	192	511	87	4,790

(e) Other transactions with key management personnel

A number of key management personnel of the Group are or were also Directors of other organisations which have or had transactions with the Group. All transactions in the years ended 30 June 2025 and 30 June 2026 between the Group and Directors or other key management personnel, including their related parties, were on normal commercial terms and conditions.

The Company's shareholding Ministers are identified as part of the Company's key management personnel. During the year, these Ministers were:

- Treasurer, Minister for Energy and Minister for Home Ownership, The Honourable David Janetzki; and
- Minister for Finance, Trade, Employment and Training, The Honourable Rosslyn (Ross) Bates.

Ministerial remuneration entitlements are outlined in the Legislative Assembly of Queensland's Members' Remuneration Handbook. The Company does not bear any cost of remuneration of Ministers. The majority of Ministerial entitlements are paid by the Legislative Assembly, with the remaining entitlements being provided by the Ministerial Services Branch within the Department of Premier and Cabinet. As all Ministers are reported as key management personnel of the Queensland Government, aggregate remuneration expenses for all Ministers are disclosed in the Queensland General Government and Whole of Government Consolidated Financial Statements for the 2026 financial year, which are published as part of Queensland Treasury's Report on State Finances.

24. Contingencies and commitments

(a) Guarantees

Guarantees are issued to third parties to support derivative trading and environmental obligations. All guarantees are provided in the form of unconditional undertakings provided by QTC and all except for one are secured through indemnity agreements.

These guarantees may give rise to liabilities in the Parent entity if the Parent or subsidiaries do not meet their obligations under the terms of the agreements or other liabilities subject to the guarantees.

The total value of guarantees issued to third parties at 30 June 2026 was $1,294.2 million (2025: $825.6 million). The fair value of the guarantees is $Nil (2025: $Nil).

Application of accounting policies

Financial guarantee contracts are recognised as a financial liability at the time the guarantee is issued. The liability is initially measured at fair value, which is determined as the present value of the amount that would be payable to a third party for assuming the obligation, and subsequently at the higher of the amount of the obligation under the contract, as determined under AASB 137 *Provisions, Contingent Liabilities and Contingent Assets* and the amount initially recognised less cumulative amortisation, where appropriate.

(b) Contingent Liabilities

Class action and Corporation Act (Litigation Funding) declaration

On 4 December 2024, the Federal Court of Australia dismissed the class action commenced against Stanwell Corporation Limited and CS Energy Limited in relation to alleged misuse of market power in the Queensland wholesale electricity market.

The applicant filed an appeal against the judgment on 11 March 2025. The appeal was heard by the Full Federal Court from 2 to 13 March 2026. As at the date of signing these financial statements, judgment has not been delivered and the appeal remains before the Court. The Group continues to defend the proceedings.

(c) Capital commitments

Capital expenditure mainly committed at the end of the reporting period but not recognised as liabilities is as follows:

Commitments - capital property, plant and equipment	2026	2025
	$'000	$'000
Within one year	189,218	504,873
Later than one year but no later than five years	8,573	109,047
Total - property, plant and equipment	197,791	613,920

d) Lease commitments

During previous financial year, Stanwell entered into a Battery Use Agreement—structured as a Capacity Purchase Agreement (CPA)—with Supernode Operations Pty Ltd, acting as trustee for the Supernode BESS 1 Project Trust, in relation to Stage 3 of the Supernode BESS Facility. The facility is anticipated to become operational by 31 March 2028. Upon commencement, Stanwell expects to recognise a right-of-use asset and corresponding lease liability in the range of $600.0 million to $650.0 million (discounted).

25. Related party transactions

Parent entity

Ultimate control of the Group resides with the State of Queensland. The ultimate Parent entity within the Group is Stanwell Corporation Limited.

Joint operations

Interests in joint operations are set out in note 28.

Key management personnel

Disclosures relating to key management personnel are set out in note 23 Key management personnel.

Other State of Queensland controlled entities and post-employment benefit plans

All State of Queensland controlled entities meet the definition of a related party in AASB 124 *Related Parties*. The Group transacts with other State of Queensland controlled entities as part of its normal operations on terms equivalent to those that prevail in arm's length transactions.

The following transactions occurred with related parties:

	Consolidated	
	2026 $'000	**2025 $'000**
Sales of electricity - retail	42,018	21,426
Hedging gain/(loss)	123,539	(92,389)
Other revenue	6,110	15,779
Royalties	(23,372)	(22,330)
Employee benefits expense	(11,320)	(10,013)
Other expenses	-	(31,158)
Raw materials and consumables	(238,647)	(125,724)
Finance costs	(85,248)	(49,380)
Non hedge accounted change in fair value of derivative instruments	96,889	(34,248)
Income tax equivalent expense	188,091	(203,519)
Capital transactions		
Purchase of plant and equipment	-	(157,334)

25. Related party transactions (continued)

Outstanding balances

The following balances are outstanding at the reporting date in relation to transactions with related parties:

	Consolidated	
	2026 $'000	2025 $'000
Cash and cash equivalents	97,952	4,881
Trade and other receivables	44,370	382,312
Derivative financial instrument assets	146,225	12,432
Trade and other payables	-	(27,667)
Derivative financial instrument liabilities	(53,699)	(106,347)
Deferred tax equivalent balances	125,442	(4,540)
Current tax equivalent liabilities	(13,863)	(13,033)
Borrowings	(1,934,557)	(1,184,931)

Key management personnel

Disclosures relating to key management personnel are set out in note 23. Finance costs totalling $51,624,000 were paid to QTC during the year and interest revenue of $5,338,000 was earned from QTC. Transactions between the Group and QTC were on normal commercial terms and conditions.

During the year, a total of $47,831 was paid to HWLE Lawyers for the provision of legal services. Michael Anastas (Director) is the Partner at HWLE Lawyers.

A total of $11,024,792 was paid to Acrow Energy and Infrastructure Services (Gladstone) Pty Ltd, Unispan Australia Pty Ltd and Acrow Formwork and Scaffolding Pty Ltd, entities related to the director (Laurie Lefcourt), for services provided to Tarong North Power Station and Stanwell Power Station during the reporting period.

All transactions with director-related entities were conducted on normal commercial terms and conditions equivalent to those prevailing in an arm's length basis.

All other transactions between the Group and Directors or other key management personnel, including their related parties, were immaterial in nature.

26. Events after the reporting period

No matter or circumstance has arisen since 30 June 2026 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

27. Parent entity information

Set out below is the supplementary information about the parent entity.

Statement of profit or loss and other comprehensive income

	Parent	
	2026	2025
	$'000	$'000
Loss after income tax	(353,531)	(34,668)
Total comprehensive income	**(353,531)**	**(34,668)**

Balance sheet

	Parent	
	2026	2025
	$'000	$'000
Total current assets	1,398,927	1,340,375
Total assets	**4,945,309**	**4,188,472**
Total current liabilities	976,122	1,227,671
Total liabilities	**4,469,417**	**3,837,164**
Equity		
Contributed equity	1,885,507	1,821,569
Transactions with owners	(13,084)	(13,084)
Cash flow hedge reserve	291,802	(122,375)
Accumulated losses	(1,688,333)	(1,334,802)
Total equity	**475,892**	**351,308**

Guarantees entered into by the Parent entity in relation to the debts of its subsidiaries

The Company has entered into a Deed of Cross Guarantee with its subsidiaries under which each company guarantees the debts of the others.

Contingent liabilities

The contingent liability for the Parent entity is disclosed in note 24.

Capital commitments - Property, plant and equipment

Parent entity had $143.0 million in capital commitments for property, plant and equipment as at 30 June 2026 (2025: $437.9 million).

Application of accounting policies

The accounting policies of the Parent entity are consistent with those of the consolidated entity, as disclosed in note 1 Material accounting policies, except for investments in subsidiaries which are accounted for at cost, less any impairment in the Parent entity.

28. Joint Operations

The Group acquired a 50% interest in the Wambo Wind Farm Joint Operation on 15 December 2022, with Cubico Sustainable Investments (Cubico) holding the remaining interest. The Joint Operation is a staged, large-scale renewable energy development located near Jandowae in the Western Downs region of Queensland. Stanwell has acquired a 50 per cent ownership stake (126 MW electricity) in Stage 1 of the Wambo Wind Farm. Stanwell has also secured off-take for the remaining 50 per cent (126 MW) of the Project through a power purchase agreement with Cubico and has entered into a 30-year maintenance services contract with the original equipment manufacturer (OEM), Vestas, for the operations phase.

Similar to Stage 1, Stanwell acquired a 50 per cent ownership interest (126 MW electricity) on 21 December 2023 in Stage 2 of the Wambo Wind Farm, with Cubico. Stanwell has also secured 'Capacity Purchase Agreement' (CPA) for the remaining 50 per cent (126 MW) of the Project with Cubico. The 50% interest in the Wambo Stage 2 of the Wind Farm has been accounted for as Joint Operations.

The principal activity of the joint operation is the delivery of renewable energy to the National Electricity Market.

Application of accounting policies

Under AASB 11 *Joint Arrangements*, investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement.

Stanwell Corporation Limited recognises its direct right to the assets, liabilities, revenues and expenses of joint operations and its share of any jointly held or incurred assets, liabilities, revenues and expenses. These have been incorporated in the financial statements under the appropriate headings.

29. Reconciliation of profit after income tax to net cash inflow from operating activities

	Consolidated	
	2026 $'000	2025 $'000
Profit after income tax equivalent (expense)/benefit for the year	(414,664)	429,232
Adjustments for:		
Depreciation and amortisation	270,134	195,761
Impairment reversal of non-current assets	-	(411,628)
Net gain on disposal of property, plant and equipment	(59)	(12)
Unwinding of discount on provision	21,456	14,329
Non-cash rehabilitation provision	-	(2,743)
Non-cash retirement benefits expense	779	1,937
Stock obsolescence provision	(538)	(3,895)
Non-cash interest unwind on lease liabilities	6,156	1,816
Non-cash finance income	667,734	(57,150)
Non-cash expected credit losses	(117,155)	117,252
Fair value loss on financial instruments at fair value through profit and loss	180,941	578,418
Fair value loss/(gain) on environmental certificates and Surrender Liability	(31,660)	36,564
Accrued coal revenue sharing arrangements	(57,799)	(32,017)
Derecognition of loan receivable	4,595	-
Fair value loss on financial asset at initial recognition	26,516	32,192
Environmental certificate revenue	(562)	-
Change in operating assets and liabilities:		
Decrease/(Increase) in current receivables	97,017	9,421
(Increase) in inventories	(87,165)	(5,025)
Decrease in other current assets	11,639	11,875
(Increase)/decreaseDecrease/(increase) in current financial assets	260,614	(79,005)
Decrease(Increase)/decrease in other non-current assets	(66,482)	178,546
Decrease(Increase) in non-current receivables	(93,397)	-
Increase(Decrease)/increase trade and other payables	(68,067)	10,155
(Decrease)/increase in provision for income tax	830	(59,819)
Increase in current provisions	9,123	7,440
Increase in other current liabilities	63,878	754
(Decrease)/increase in deferred tax balances	(32,862)	6,688
(Decrease) in rehabilitation provisions	(7,982)	(3,752)
Deferred tax reserves movement	(177,505)	(101,465)
(Decrease) in other non-current liabilities	-	(791)
Net cash inflow from operating activities	**465,515**	**875,078**

30. Changes in liabilities arising from financing activities

Consolidated	Liabilities		
	Borrowings	Lease liabilities	Total
	$'000	$'000	$'000
Balance at 1 July 2024	908,449	20,820	929,269
Changes from financing cash flows			
Repayment of borrowings	(130,920)	-	(130,920)
Proceeds from borrowings	407,403	-	407,403
Payment of lease liabilities	-	(3,420)	(3,420)
Other changes			
New leases	-	27,471	27,471
Interest expense	48,530	1,816	50,346
Interest paid	(48,531)	(1,816)	(50,347)
Balance at 30 June 2025	1,184,931	44,871	1,229,802
Changes from financing cash flows			
Repayment of borrowings	(33,019)	-	(33,019)
Proceeds from borrowings	782,646	-	782,746
Payment of lease liabilities	-	(2,374)	(2,374)
Other changes			
Additions	-	242	242
Interest expense	68,051	6,156	74,207
Interest paid	(68,052)	(2,570)	(70,622)
Balance at 30 June 2026	**1,934,557**	**46,325**	**1,980,882**

CONSOLIDATED ENTITY DISCLOSURE STATEMENT As at 30 June 2026

Entity name	Entity type	Place formed / Country of incorporation	Ownership interest %	Tax residency
Stanwell Corporation Limited	Body corporate	Australia	N/A	Australian
Stanwell Hold 1 Pty Ltd (formerly CQ-H2 Facilities Pty Ltd)	Body corporate	Australia	100.00%	Australian
Stanwell Trading Pty Ltd (formerly CQ-H2 HLF Pty Ltd)	Body corporate	Australia	100.00%	Australian
Stanwell Hold 4 Pty Ltd (formerly CQ-H2 HPF Pty Ltd)	Body corporate	Australia	100.00%	Australian
Stanwell Hold 3 Pty Ltd (formerly CQ-H2 HTF Pty Ltd)	Body corporate	Australia	100.00%	Australian
Stanwell Hold 2 Pty Ltd (formerly CQ-H2 Industrial Water Pty Ltd)	Body corporate	Australia	100.00%	Australian
Glen Wilga Coal Pty Ltd	Body corporate	Australia	100.00%	Australian
Goondi Energy Pty Ltd	Body corporate	Australia	100.00%	Australian
Mica Creek Pty Ltd	Body corporate	Australia	100.00%	Australian
SCL North West Pty Ltd	Body corporate	Australia	100.00%	Australian
Stanwell Asset Maintenance Company Pty Ltd	Body corporate	Australia	100.00%	Australian
Stanwell Cressbrook Hold Co Pty Ltd	Body Corporate	Australia	100.00%	Australian
Stanwell Cressbrook Hold Co Pty Ltd as trustee for the Stanwell Cressbrook Hold Trust	Body corporate - Trustee	Australia	100.00%	Australian
Stanwell Cressbrook Hold Trust	Trust	Australia	100.00%	Australian
Stanwell Cressbrook Project Co Pty Ltd	Body Corporate	Australia	100.00%	Australian
Stanwell Cressbrook Project Co Pty Ltd as the trustee for Stanwell Cressbrook Project Trust	Body corporate - Trustee	Australia	100.00%	Australian
Stanwell Cressbrook Project Trust	Trust	Australia	100.00%	Australian
Stanwell Cressbrook Pty Ltd	Body Corporate	Australia	100.00%	Australian
Stanwell Firming Holdings Pty Ltd	Body Corporate	Australia	100.00%	Australian
Stanwell Lockyer Land Co Pty Ltd	Body Corporate	Australia	100.00%	Australian
Stanwell Lockyer Project Co Pty Ltd	Body Corporate	Australia	100.00%	Australian
Stanwell Lockyer Pty Ltd	Body corporate	Australia	100.00%	Australian
Stanwell Renewable Energy Holdings Pty Ltd	Body corporate	Australia	100.00%	Australian
Stanwell Wambo Stage 1 Hold Co Pty Ltd	Body corporate	Australia	100.00%	Australian
Stanwell Wambo Stage 1 Hold Co Pty Ltd as Trustee for Stanwell Wambo Stage 1 Hold Trust	Body corporate - Trustee	Australia	100.00%	Australian
Stanwell Wambo Stage 1 Hold Trust	Trust	Australia	100.00%	Australian
Stanwell Wambo Stage 1 Project Co Pty Ltd	Body corporate	Australia	100.00%	Australian
Stanwell Wambo Stage 1 Project Co Pty Ltd as Trustee for the Stanwell Wambo Stage 1 Project Trust	Body corporate - Trustee	Australia	100.00%	Australian

Entity name	Entity type	Place formed / Country of incorporation	Ownership interest %	Tax residency
Stanwell Wambo Stage 1 Project Trust	Trust	Australia	100.00%	Australian
Stanwell Wambo Stage 1 Pty Ltd	Body corporate	Australia	100.00%	Australian
Stanwell Wambo Stage 2 Hold Co Pty Ltd	Body corporate	Australia	100.00%	Australian
Stanwell Wambo Stage 2 Hold Co Pty Ltd as trustee for the Stanwell Wambo Stage 2 Hold Trust	Body corporate -Trustee	Australia	100.00%	Australian
Stanwell Wambo Stage 2 Hold Trust	Trust	Australia	100.00%	Australian
Stanwell Wambo Stage 2 Project Co Pty Ltd	Body corporate	Australia	100.00%	Australian
Stanwell Wambo Stage 2 Project Co Pty Ltd as trustee for the Stanwell Wambo Stage 2 Project Trust	Body corporate -Trustee	Australia	100.00%	Australian
Stanwell Wambo Stage 2 Project Trust	Trust	Australia	100.00%	Australian
Stanwell Wambo Stage 2 Pty Ltd	Body corporate	Australia	100.00%	Australian
Tarong Energy Corporation Pty Ltd	Body corporate	Australia	100.00%	Australian
Tarong Fuel Pty Ltd	Body corporate	Australia	100.00%	Australian
Tarong North Pty Ltd	Body corporate	Australia	100.00%	Australian
TEC Coal Pty Ltd	Body corporate	Australia	100.00%	Australian
TN Power Pty Ltd	Body corporate	Australia	100.00%	Australian

Basis of preparation

The consolidated entity disclosure statement has been prepared in accordance with Section 295(3)(a) of the *Corporations Act 2001*. It includes Stanwell Corporation Limited and the entities it controlled at 30 June 2026 under the requirements of AASB 10 *Consolidated Financial Statements*.

Determination of Tax Residency

Section 295 (3A) of the *Corporation Acts 2001* requires that the tax residency of each entity which is included in the Consolidated Entity Disclosure Statement (CEDS) be disclosed. In the context of an entity which was an Australian resident, “Australian resident” has the meaning provided in the *Income Tax Assessment Act 1997*. The determination of tax residency involves judgment as the determination of tax residency is highly fact dependent and there are currently several different interpretations that could be adopted, and which could give rise to a different conclusion on residency.

In determining tax residency, the consolidated entity has applied current legislation and judicial precedent, including having regard to the Commissioner of Taxation’s public guidance in Tax Ruling TR 2018/5.

Trusts

Australian tax law does not contain specific residency tests for trusts. Generally, these entities are taxed on a flow-through basis so there is no need for a general residence test. There are some provisions which treat trusts as residents for certain purposes, but this does not mean the trust itself is an entity that is subject to tax.

DIRECTORS' DECLARATION 30 June 2026

In the Directors' opinion:

(a) the financial statements and notes set out on pages 69 to 135 are in accordance with *the Corporations Act 2001*, including:

 (i) complying with Accounting Standards, *the Corporations Regulations 2001* and other mandatory professional reporting requirements, and

 (ii) giving a true and fair view of the consolidated entity's financial position as at 30 June 2026 and of its performance for the financial year ended on that date, and

(b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable, and

(c) at the date of this declaration, there are reasonable grounds to believe that the members of the extended closed group identified in note 1 will be able to meet any obligations or liabilities to which they are, or may become, subject by virtue of the deed of cross guarantee described in the corporate structure described in note 1 Material accounting policies.

(d) the information disclosed in the consolidated entity disclosure statement on pages 136 and 137 is true and correct.

The Directors have been given the declarations by the Chief Executive Officer and Chief Financial Officer required by section 295A of *the Corporations Act 2001*.

This declaration is made in accordance with a resolution of Directors.

Justin Parer
Non-executive Director
28 August 2026 Brisbane

Laurie Lefcourt
Non-executive Director
28 August 2026 Brisbane

INDEPENDENT AUDITOR'S REPORT

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INDEPENDENT AUDITOR'S REPORT

To the Members of Stanwell Corporation Limited

Report on the audit of the financial report

Opinion

I have audited the accompanying financial report of Stanwell Corporation Limited and its controlled entities (the Group).

The financial report comprises the consolidated balance sheet as at 30 June 2026, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes to the financial statements including material accounting policy information, the consolidated entity disclosure statement and the directors' declaration.

In my opinion, the accompanying financial report of the group is in accordance with the *Corporations Act 2001*, including:

a) giving a true and fair view of the group's financial position as at 30 June 2026, and its financial performance for the year then ended; and

b) complying with the Australian Accounting Standards and the Corporations Regulations 2001.

Basis for opinion

I conducted my audit in accordance with the *Auditor-General Auditing Standards*, which incorporate the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of my report.

I am independent of the group in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code and the *Auditor-General Auditing Standards*. I am also independent of the group in accordance with the auditor independence requirements of the *Corporations Act 2001*.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key audit matters

Key audit matters are those matters that, in my professional judgement, were of most significance in my audit of the financial report of the current period. I addressed these matters in the context of my audit of the financial report as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

Independent auditor's report (continued)

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Impairment of property, plant and equipment

Refer to note 9 in the financial report.

Key audit matter	How my audit addressed the key audit matter

The group's balance sheet includes property, plant and equipment totalling \$3,924.4 million with a significant portion comprising thermal power stations and related mining assets (thermal generation assets), firming assets and renewable assets.
 	
Assessing carrying values of property, plant and equipment for impairment is complex and highly judgemental.
 	
At 30 June 2026, the group's assessment is based on its estimate of the useful lives of its thermal generation assets, firming assets and renewable assets in determining forward looking assumptions about the operating and market conditions over their remaining lives.
 	
It also involves the use of complex models to measure the recoverable amount.
 	
Key assumptions, judgements and estimates in the group's impairment testing process and determination of recoverable amounts for its thermal generation assets include:
• allocating assets to cash generating units (CGUs)
• selection of the most appropriate valuation model to determine the recoverable amount
• selection of the scenario for forecasting future cash flows and determining it is the most appropriate in comparison to other possible scenarios
• estimating future cash inflows and outflows based on:
  - electricity demand and available generation
  - renewable energy targets
  - wholesale electricity prices cost of fuel and water
  - timing of overhauls and sustaining capital expenditure
• determining the rate used to discount the forecast of cashflows to their present value.
	My procedures included, but were not limited to:
	• assessing the appropriateness of the CGU assessment performed by management
	• assessing the appropriateness of the valuation model used to determine the recoverable amount
	• with the assistance of valuation specialists:
	  - we assessed the design, integrity and appropriateness of the discounted cash flow models with reference to common industry practices and the requirements of the accounting standards
	  - we assessed the scenario selected by the group in estimating the recoverable amount of the thermal generation assets and renewable assets CGU's using the traditional cash flow approach
	  - evaluating the assumptions adopted by the group for forecast wholesale electricity prices
	  - evaluating whether the discount rates applied were within a reasonable range by comparison to our own assessment with reference to market data and industry research
	• compared forecast cash flows to the latest budgets and forecasts approved by the Board
	• challenging the key assumptions underlying the cash flow forecasts having regard to relevant internal and external evidence
	• assessing the long-term fuel and water costs comparing them to contractual arrangements
	• assessing the historical accuracy of the group's forecasts by comparing prior year budgets to actual results
	• testing the mathematical accuracy of the discounted cash flow models
	• assessing the appropriateness of the disclosures included in note 9 to the financial statements.

Independent auditor's report (continued)

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Accounting for derivative financial assets and liabilities

Refer to note 13 in the financial report.

Key audit matter	How my audit addressed the key audit matter
Accounting for derivative financial assets and liabilities is inherently complex. Key factors contributing to this complexity include: • use of internal valuation models in the group's estimation of the fair value of certain financial instruments. These models are complex and use key inputs that involve significant judgment due to the absence of observable market data for some assumptions; and • the group's application of hedge accounting involves judgements about the group's forecast generation profile to monitor ongoing hedge effectiveness for compliance with the specific requirements of AASB 9 Financial instruments.	My procedures included, but were not limited to: • use of a derivative valuation specialist to assist me in: - obtaining an understanding of the valuation methodologies and assessing their appropriateness with reference to accounting standards and common industry practices - challenging the group's assumptions used in the valuation process and assessing the key inputs by comparison to independently sourced external market data and my own assessment using knowledge and understanding of industry specific factors - for a sample of derivatives, testing the valuation calculations by vouching key terms to supporting documents (including contracts) and counter-party confirmations and recalculating the fair values for comparison to those calculated by the group based on our understanding of generally accepted derivative valuation practices • assessing the group's hedge accounting process for compliance with accounting standards. This included assessing hedge accounting documentation and testing the methodology for calculating hedge effectiveness • for cash flow hedges, assessing the reasonableness of forecast information used to support that hedged transactions are considered highly probable of occurring • testing reconciliations of the cash flow hedge reserve and assessing the appropriateness of the presentation of gains and losses in the consolidated statement of profit or loss and other comprehensive income • assessing the appropriateness of the disclosures included in note 13 to the financial statements.

Measurement of the provision for restoration, rehabilitation and decommissioning

Refer to notes 15 and 17 in the financial report.

Key audit matter	How my audit addressed the key audit matter
As at 30 June 2026, the group has provisions for restoration, rehabilitation and decommissioning of $550.6 million relating to its thermal power stations, mining operations and renewables projects. The measurement of these provisions required significant judgments in:	My procedures included, but were not limited to: • assessing the competence, capability and objectivity of the external experts used by the group in measuring the provisions • evaluating the timing used in the calculations of the provision for consistency with the proposed site closures used in other accounting estimates

Independent auditor's report (continued)

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Key audit matter	How my audit addressed the key audit matter
• assessing the group's obligations under current environmental, regulatory and legal requirements and the impact on the completeness of the activities incorporated into the provision estimate • estimating the quantum and timing of future costs for restoration, rehabilitation and decommissioning activities; and • determining appropriate rates for annual cost escalation and to discount the forecast costs to their present values. The group determines its estimate of the provision using a combination of external expert advice and internal assessments.	• assessing the nature and quantum of costs contained in the provision calculation, and comparing it to internal and external documentation supporting the group's estimation of future required activities, including the group's external expert reports, where available • evaluating the completeness of the provisions through examination of the group's operating sites, external expert advice and relevant environmental and regulatory requirements • evaluating whether annual cost escalation factors and discount rates were within a reasonable range with reference to market and industry research • testing the mathematical accuracy of the group's present value calculations.

Fair value of non-current receivables

Refer to note 8 in the financial report.

Key audit matter	How my audit addressed the key audit matter
During the year Stanwell amended coal supply agreements to facilitate the provision of immediate liquidity support to Coronado Curragh Pty Ltd (Coronado). A fair value loss of $661.6 million was recorded in the current year reflecting the substantial modification of the arrangement resulting in the derecognition of the existing arrangements held at amortised cost and the recognition and revaluation of the asset to fair value as at 30 June 2026. As at 30 June 2026, the Group recognised a receivable, held at fair value, of $150 million. Determining the fair value of the non-current receivable under AASB 9 *financial instruments* requires significant complexity and judgement.	My procedures included, but were not limited to: • evaluating management's assessment of the accounting treatment against the applicable accounting standard requirements • assessing the competence, capability and objectivity of the external specialist used by management in measuring the fair value of the non-current receivable • engaging a financial risk specialist to assist with: • assessing the design, integrity and appropriateness of the fair value cash flow model with reference to common industry practices and the requirements of the accounting standards • evaluating the market inputs applied by the group. • evaluating the market rate of interest implicit in the agreement with reference to market data and industry research • evaluating a fair value range based on a range of possible scenarios • comparing forecast cash flows to the latest budgets and forecasts received from Coronado • challenging the key assumptions underlying the forecasts having regard to published data and other relevant internal and external evidence • testing the mathematical accuracy of the discounted cash flow model

Independent auditor's report (continued)

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Key audit matter	How my audit addressed the key audit matter
Key assumptions, judgements and estimates were applied in management's determination of the fair value of the financial asset. The key factor contributing to this complexity includes use of a valuation model to assess Coronado's forecast liquidity to determine estimated future recoveries. These estimates use future cash flows based on Coronado's production, forward commodity prices, foreign exchange rates and the determination of a market rate of interest. The models are complex and use key inputs that involve significant judgement due to the absence of observable market data for some assumptions and determining a fair value based on a range of possible scenarios.	• reviewing the appropriateness of related financial statement disclosures.

Other information

The directors of the Company are responsible for the other information.

The other information comprises the information included in the company's annual report for the year ended 30 June 2026 but does not include the financial report and my auditor's report thereon.

The other information comprises the director's report and sustainability report which we obtained prior to the date of this auditor's report and the Annual report, which is expected to be made available to us after that date.

My opinion on the financial report does not cover the other information and accordingly I do not express any form of assurance conclusion thereon. However, as required by the Auditor-General Act 2009 and Corporations Act 2001, I have formed a separate review conclusion on specified Sustainability Disclosures.

In connection with my audit of the financial report, my responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial report or my knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

Independent auditor's report (continued)

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Responsibilities of the Directors for the financial report

The directors of the company are responsible for the preparation of:

a) the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001*; and

b) the consolidated entity disclosure statement that is true and correct in accordance with the *Corporations Act 2001*, and,

for such internal controls as the directors determine is necessary to enable the preparation of:

i. the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and

ii. the consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

My objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of my responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at:

/https://www.auasb.gov.au/auditors_responsibilities/ar5.pdf

This description forms part of my auditor's report.

IAsim

28 August 2026

Irshaad Asim
as delegate of the Auditor-General

Queensland Audit Office
Brisbane

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