

METIS ENERGY LIMITED
(Company Registration No. 199006289K)

**RESPONSE TO SUBSTANTIAL AND RELEVANT QUESTIONS RECEIVED FROM SHAREHOLDER IN
RELATION TO THE COMPANY'S ANNUAL GENERAL MEETING**

The Directors of Metis Energy Limited ("Metis" or "the Company") would like to thank our shareholders for submitting their questions in advance of the Company's Annual General Meeting, which will be convened and held by electronic means, on Thursday, 27 April 2023 at 9.30 a.m.

Please refer to the Appendix for our response to the questions raised by shareholder in relation to the following topics:

- (i) Thermal Power Plant – PT Kariangau Power
- (ii) Renewables Business
- (iii) Vietnam Solar
- (iv) Australia Solar
- (v) Target Markets
- (iv) Others

BY ORDER OF THE BOARD

Tang Kin Fei
Board Chairman
25 April 2023

Appendix – Response to Questions Received from Shareholder

(I) THERMAL POWER PLANT – PT KARIANGAU POWER

- 1. What is the breakdown of PT KP's revenue from PPA and non-PPA customers respectively?**
- 2. For the non-PPA customers, please help elaborate on components of the electricity rate calculation.**
- 3. How regularly is this price adjusted?**

PT KP has on-going power purchase agreements ("PPA") with the customers based on pre-determined minimum amount per month and at pre-determined rates.

In FY 2022, 80% of the sale of electricity was to a related company. The power purchase agreement with the related party is on a take or pay basis, and the Purchase Price adjustment may be adjusted every month based on a pre-determined formula as set out in the agreement.

The sale to a non-PPA customer is regulated by law and is reviewed yearly by the Indonesian government.

- 4. Kindly help elaborate on how our Company manages the mismatch (current or anticipated) of the coal price risk and the electricity price for PPA contract.**

PT KP negotiated a one-year fixed coal supply contract to mitigate the fluctuation in coal price and to cap the exposure of the increase in the raw material price. The agreement will be reviewed and negotiated on the yearly basis.

- 5. At the current contracted coal price, is the Indonesia power plant cashflow positive and/or profitable?**

The Indonesia power plant business unit is EBITDA positive, but not profitable due to low power sales.

- 6. In view of high coal prices, does the unit economics make sense to add solar generation to the PT KP thermal plant for a hybrid solution?**

We had evaluated and has decided not to add solar generation to PT KP as we plan to divest PT KP. We will update shareholders when there is new development on the sale of PT KP.

(II) RENEWABLES BUSINESS

- 1. As our substantial shareholder has extensive operations in coal mining and Indonesia, has the Company consider joint development with our substantial shareholder to develop depleted coal mines for floating solar or pumped hydro energy storage?**

We had and will continue to explore off-grid solar facilities in remote area including coal mines. We will have to ensure IPT compliance when dealing with related parties.

2. **Rather competing in overcrowded solar and wind space, is our Company developing pipelines in other non-intermittent renewables (mini-hydro or geothermal etc)**

We are renewable energy company not limited to solar and wind, and we will explore other non-intermittent renewable energy and battery storage projects.

3. **Given the intermittent nature and “duck curve” effect of solar power generation, has the Company considered investing in Long Duration Energy Storage (LDES) projects?**

Yes.

4. **Currently, are we still facing supply chain issues for solar components? Has the price for PV modules and inverters come down, compared to 2022?**

The supply chain issues had eased. The prices of PV modules are becoming more competitive.

5. **Does our Company have the in-house capability to operate and manage our solar projects? Or do we outsource?**

We will normally perform the operations and maintenance (“O&M”) for our projects, however, for selected projects, we may outsource the O&M services.

6. **Does our Company have the in-house capability to manage the installation of our solar projects? Or do we outsource project management of the whole installation process?**

We outsource design, supply and installation of solar projects to third parties. We will perform the project management.

7. **Has the increase in financing costs reduce the financial returns of the Vietnam and Australia solar projects initiated earlier?**

The Company will only invest in projects which will meet our EIRR investment criteria. Additional financing cost is already factored into our EIRR evaluation.

8. **Upon completion, how much debt financing did we use for Vietnam and Australia solar projects respectively?**

In general, the projects are funded 30% by equity and 70% by bank loans. Up to-date, the Company received US\$14 million loan to finance the 30 MW C&I projects in Vietnam.

9. **Is the loan from climate financing fund an amortizing term loan or bullet loan?**

The repayment term of the loan from responsAbility Investment AG is balloon payment scheme.

(III) VIETNAM SOLAR

- 1. What is the feed-in tariff for the Shundao project? What is the projected Levelized cost of energy (LCOE) for this particular solar project? Is there any PPA signed? If not, will the power be sold to the grid at wholesale rate?**

We do not disclose for confidentiality reason.

- 2. What is the current feed-in tariff available for a new solar project in Vietnam (if any)?**

Presently, we do not have any solar projects with feed-in tariff.

(IV) AUSTRALIA SOLAR

- 1. What is the feed-in tariff for the Queensland project? What is the projected Levelized cost of energy (LCOE) for this particular solar project?**

There is no feed-in tariff for the Queensland project. The price is based on bilateral PPA. We are not able to disclose the LCOE.

- 2. Kindly elaborate on the “non-binding” aspect of PPA signed with the electricity retailer? Does this PPA cover all the solar power generated? If this customer does not take the power, will the power be sold to the grid at wholesale rate? Currently, is the PPA rate lower than the wholesale electricity rate now? What is the contract period for this PPA?**

“Non-binding” PPA means we have understanding with the counterparty on the price of the PPA but we have not entered into a firm agreement. We will sign the contractual PPA with the counter party when we proceed with the project.

- 3. Any plans to add any LDES solution to the project?**

Yes.

- 4. What is the current feed-in tariff available for a new solar project in target Australian states (if any)?**

Presently, we do not have any solar projects with feed-in tariff.

- 5. How would the management mitigate the risk of zero/low power demand (daytime) with the further proliferation of residential rooftop solar and utility scale renewables projects in Australia currently (and other countries in the future)?**

We will enter into a long term PPAs with retailers to sell the power generated from our utility scale renewable projects. We are not pursuing C&I projects in Australia.

(V) TARGET MARKETS

- 1. What is the current feed-in tariff available for new renewables project in Indonesia, Philippines and Bangladesh respectively (if any)?**

We are still exploring these markets.

(VI) OTHERS

- 1. Why are Mr Tang and Mr Tan deemed as non-independent directors?**

As mentioned in page 22 of the Annual Report 2022 of the Company, Mr Tang Kin Fei is the father-in-law of Mr Low Yi Ngo's (controlling shareholder) spouse's sister, and is therefore, considered non-independent.

Mr Tan Tong Hai is a director of Seax Global Pte Ltd and Super Sea Cable Networks Pte Ltd, and a consultant in Onward Capital Pte. Ltd. These companies are related to the controlling shareholders of the Company. For good corporate governance, the Company has considered him as non-independent.

- 2. Why are we still having virtual AGM when all restrictions are already lifted?**

Currently, the COVID-19 (Temporary Measures) Act 2020 (Alternative Arrangements for Meetings) Orders ("Order") provide entities with the temporary option to hold virtual meetings up to 30 June 2023. Following the cessation of the Order from 1 July 2023, the Company will resume the holding of physical general meetings starting on 1 July 2023 in accordance with the relevant laws and regulations.

To facilitate live and direct engagement between the Board and shareholders, the Company accords shareholders the same rights similar to physical general meetings, including the right to attend, appoint proxy(ies) and ask questions, at the upcoming Annual General Meeting of the Company to be held on 27 April 2023 ("AGM"). The Company will also be utilising real-time electronic voting and real-time electronic communication at the AGM.

The Company continues to take guidance from SGX RegCo and will review the format of future general meetings to facilitate shareholder engagement.