PROVARIS

ASX ANNOUNCEMENT | 20 December 2024

# Progress Update on Hydrogen Supply Chain and Prototype Tank Activities



**HIGHLIGHTS:**

> **Significant progress made on finalising a Term Sheet with Uniper and Norwegian Hydrogen for a Hydrogen Sale and Purchase Agreement (SPA) outlining key commercial terms, including targeting a 10-year offtake for over 40,000 tonnes per annum of hydrogen. Execution is imminent and expected to be executed after the European winter holiday period.**

> **Completion of the Fiska Facility sale expected around 1st January 2025 will enable Provaris to move forward with a lease agreement with the new owners and finalise the purchase of robotic laser-welding requirement to restart its Prototype Tank fabrication and testing program.**

**(SYDNEY, 20 December 2024) - Provaris Energy Ltd (Provaris; ASX.PV1)** is pleased to provide an update on recent progress towards its priority activities in Norway aimed at developing Hydrogen Supply Chains into Europe and advancing the Company's proprietary hydrogen carrier.

## Term Sheet for Hydrogen Supply and Offtake progressing towards execution

During December 2024, Provaris , together with Uniper and Norwegian Hydrogen, made significant strides towards the finalization of a Term Sheet that outlines the key terms for negotiation of a long term Hydrogen SPA. This agreement targets a 10-year offtake contract for over 40,000 tonnes per annum of renewable green hydrogen from the Nordics to Germany.

The Term Sheet represents a critical milestone in Provaris' plans to establish reliable, long term, and low cost hydrogen supply utilising Provaris' proprietary H2Neo carriers and H2Leo barge technology.

The completion of the Term Sheet is imminent however final execution may be slightly delayed by the winter holiday period in Europe, which concludes on 2 January 2025. The Term Sheet also supports discussions established with shipyards for newbuilds and shipowners for Time Charter of the carriers.

Provaris and Uniper continue to focus on optimal shipping, compression, and import terminal solutions in North-West Europe, ensuring a flexible and efficient transport network. The collaboration with Norwegian Hydrogen, including the Fjord H2 project and other Nordic sites, aims to provide RFNBO-compliant hydrogen delivered in compressed form. These initiatives support Uniper's hydrogen portfolio requirements and align with Provaris' vision of delivering cost-effective, low-emission supply chains from production to end-user markets.

## Restart of Prototype Tank Program at Fiskå Facility and completion of final Class Approvals.

Provaris has maintained regular engagement with the secured lenders and their appointed Advisor regarding the ongoing sale process of the Fiskå Facility and associated assets. While the process has taken longer than initially anticipated progress has been achieved over the past 6 weeks with finalization and title transfer to the new owner anticipated on or around 1st January 2025.

Securing a lease agreement for a portion of the Fiskå Facility's production floor and associated office space will provide for a resumption of the Prototype Tank fabrication and testing program. The lease is close to finalization and will provide ample room for future growth, including the potential production of small-scale hydrogen storage tanks that can be an important step towards improving the operational economics for industrial hydrogen users.

Concurrently, Provaris has advanced negotiation of the key terms for an asset purchase agreement to acquire the installed Production Cell (including robotic arms, laser-hybrid welding equipment, pedestals, jigs and related tools) essential for the Prototype Tank construction. Owning these valuable production assets and associated intellectual property will strengthen Provaris' manufacturing capabilities in Norway and potential licensing opportunities within Europe and Asia.

The Fiska site and Production Cell equipment provides a unique facility in Norway to support ongoing R&D efforts, including the co-development of a liquid $CO_2$ tank program with Yinson Production AS. Applying lessons learned from the hydrogen program will accelerate the design and commercialization of alternative bulk-scale liquid $CO_2$ tanks, suitable for barge storage and marine transportation.

Provaris anticipates providing further updates on the Prototype Tank program's progress and schedule in early 2025.

**Provaris' Managing Director and Chief Executive Officer, Martin Carolan, commented:** *"We are encouraged by the significant progress made across our priority initiatives in Norway. The imminent finalization of the Hydrogen SPA Term Sheet with Uniper and Norwegian Hydrogen marks a key validation step for our business model, our technology and for compressed hydrogen transportation.*

*We are pleased with the positive developments around the Fiskå Facility and the future restart of our Prototype Tank program, which will be instrumental in achieving H2Neo carrier Class Approvals.*

*The growing industry acceptance of Provaris' H2 solution using compression as a viable alternative for low cost and efficient solution for bulk-scale transport underpins our confidence in delivering value to the European Market. We continue to advance a dialogue with regional hydrogen supply projects under development to assess the merits and selection of Provaris as an alternative export carrier.*

*The Board also wishes to thank shareholders for their ongoing support after a challenging 6 months. With additional interest and momentum building we look forward to entering 2025 on a strong footing, supported by our expanding network of partners, suppliers and customers. Provaris success in Europe will serve as a platform for a value creating period in the year ahead."*

**– END –**

**This announcement has been authorised for release by the Board of Provaris Energy Ltd**

**-**

**For Provaris Energy enquiries, please contact:**
Norm Marshall
Company Secretary
+61 481 148629
nmarshall@provaris.energy

**Sydney | Oslo**

ASX.PV1 @ProvarisEnergy Provaris Energy Ltd. info@provaris.energy

**About Provaris Energy**

For more information: www.provaris.energy

Provaris Energy Ltd (ASX: PV1) is an Australian public company developing a portfolio of integrated green hydrogen projects for the regional trade of Europe, leveraging our innovative compressed hydrogen bulk carrier (H2Neo) and storage barge (H2Leo). Our focus on value creation through innovative development that aligns with our business model of simple and energy efficiency hydrogen production and transport can establish an early-mover advantage for regional maritime trade of hydrogen and unlock a world of potential. In August 2022 Provaris Norway AS was established to advance the development of regional hydrogen supply in Europe.