



FORESTA Signs Term Sheet with GENESIS for Supply of Torrefied Wood Pellets

We are pleased to announce that **Foresta (NZ) Limited**, a wholly owned subsidiary of **Foresta Group Holdings Limited** (ASX: FGH, "FORESTA" or the "Company"), has signed a non-binding term sheet with **Genesis Energy Limited** ("GENESIS") to advance negotiations on the supply of torrefied 'black' wood pellets for electricity generation at Huntly Power Station.

This is the first term sheet that GENESIS has signed with a potential New Zealand producer of torrefied wood pellets as GENESIS seeks to establish a sustainable, economic biomass supply for Huntly Power Station. GENESIS is targeting a supply of 300,000 tonnes per annum of torrefied biomass by financial year 2028 to reduce or, if possible, eliminate New Zealand's current dependency on coal*.

The parties intend to negotiate and execute a binding agreement for the supply of torrefied wood pellets which will be subject to and conditional upon FORESTA financing, constructing, commissioning and operating the proposed integrated pine chemical and torrefied wood pellet production facility in Kawerau, New Zealand. The development of FORESTA's state-of-the-art production facility remains subject to various approvals, consents and the Company obtaining the requisite investment funding.

GENESIS *Chief Wholesale Officer* **Tracey Hickman** says biomass is a key part of GENESIS' Gen35 strategy to optimise energy storage and flexible generation providing security of supply and grid stability.

"Electricity security for New Zealand depends on having fuel security and fuel diversity. The unique opportunity we have with the Huntly Power Station is that existing assets are designed to generate power from several feedstocks including gas, coal, diesel and biomass which mitigates energy scarcity, price and supply chain risk for New Zealand. FORESTA has shown they could be a reliable partner in supplying the type of biomass we need."

Hickman says the term sheet is non-binding but accelerates GENESIS' negotiations over price, volume and product quality.

FORESTA *Executive Chairman* **Henry Cheng** says the term sheet signing marks a significant milestone in FORESTA's mission to provide sustainable energy solutions for New Zealand.

"We look forward to potentially supplying GENESIS with a reliable, locally sourced supply of torrefied black wood pellets," says Cheng. "Our planned state-of-the-art integrated manufacturing facility in Kawerau will play a key role in reducing reliance on coal, and we are eager to collaborate with GENESIS to support New Zealand's energy transition to net zero by 2050."

* Coal generation at Huntly Power Station provides back up electricity generation for renewable energy, particularly during dry winters like that experienced in 2024 and on days of low wind. With natural gas constraints likely to continue and potentially worsen without further without incremental production coming onstream, an ongoing dependency on coal is providing strong motivation from GENESIS and sector groups to displace coal with a more sustainable alternative. Black pellets, like coal, can be stored outside and only used when required to provide back-up generation. Local, sustainable production of black pellets at a competitive price would also create jobs and stable revenue from lower value woody biomass, which is plentiful in regions surrounding Huntly Power Station.





foresta



For more information please contact:

Foresta Group Holdings Limited

Henry Cheng

Executive Chairman

h.cheng@forestagroup.com.au

AUTHORISATION STATEMENT

This release has been authorised to be given to the ASX by the Board of Foresta Group Holdings Limited.

ABOUT FORESTA GROUP HOLDINGS

FORESTA is a leading natural and renewable pine chemical and biomass pellet manufacturing company. FORESTA is positioning itself to become a leading global supplier of natural and renewable pine chemicals and biomass pellets. It has developed a proprietary process to naturally extract pine chemicals by employing the tree's own solvent chemicals to extract rosin and terpenes. These products are commonly used in industrial manufacturing and are a key input to everyday end products. These products include adhesives, gum, inks, paint, car tyres and perfume.



For personal use only