

Province Agrees Binding Key Terms with Total Eren to Develop HyEnergy® Project

Highlights:

- **Legally binding key terms finalised with Total Eren to guide the development of the HyEnergy® green hydrogen project**
- **Agreement settles 50:50 structure in the project and relationship between the parties, together with their key roles as the project moves through feasibility stages**

Province Resources Limited (**Province**) has finalised the negotiation of key terms with Total Eren Australia Pty Ltd (**Total Eren**) for the co-development of the HyEnergy® green hydrogen project in the Gascoyne region of Western Australia.

The agreement builds on the Memorandum of Understanding signed by both parties in 2021 to support the development, which has subsequently been recognised by the Western Australian Government as a project of State significance.

Province CEO and Managing Director David Frances said the agreement on key terms would keep the HyEnergy® project at the forefront of large-scale green hydrogen developments in Australia.

“The key terms recognise the value of Province’s unique relationships with stakeholders in the project area, including native title holders, pastoralists and the wider community,” Mr Frances said.

“It also recognises the deep experience and technical capability that Total Eren brings to the table.

“We have ensured that the key terms provide value for Province shareholders and provide the best possible path forward for the project and we look forward to continue our positive relationship with Total Eren.”

Total Eren and Province have made significant progress in recent months on land access for the HyEnergy® development, including receipt of consents from the Baiyungu and Yinggarda people for licences covering the project area. Agreements have also been reached with a number of pastoralists in the region.

Total Eren is a global renewable Independent Power Producer (IPP) with 3.5 GW of solar and wind farm assets in operation globally. It is part-owned by TotalEnergies, one of the world's biggest energy companies.

Earlier this year Province announced that the parties had completed a positive scoping study for the development.

The scoping study was based on a two-phase development with the initial construction and operation of 4GW of upstream power generation, transmission infrastructure and downstream hydrogen production facilities. An additional 4GW of renewable power would be added in Phase 2.

The agreement on key terms paves the way for a significant step-up in feasibility activities for the project.

A summary of the key terms agreed between Province and Total Eren are attached as an appendix to this announcement.

This announcement has been approved by the Board.

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Annexure

Summary of Binding Term Sheet

Parties	<p>(a) Province Resources Limited (Province).</p> <p>(b) Total Eren Australia Pty Ltd (or its nominee) (Total Eren).</p>
Agreement	Province and Total Eren have entered into a binding joint development term sheet (Term Sheet) to cooperate and jointly develop a large-scale green hydrogen production project known as HyEnergy® (the Project), located in Carnarvon, Western Australia.
Project Ownership	<p>(a) The Project and all assets will be held by one or more special purpose vehicles, in which each party will be an equal shareholder (Project SPV).</p> <p>(b) The Project interests are:</p> <p style="padding-left: 20px;">(i) 50% - Province; and</p> <p style="padding-left: 20px;">(ii) 50% - Total Eren.</p> <p>(c) The Project will consist of:</p> <p style="padding-left: 20px;">(i) the renewable energy facility and supply of electricity (the Upstream Assets); and</p> <p style="padding-left: 20px;">(ii) the hydrogen electrolyser and any associated facilities and infrastructure required to produce green hydrogen or any other hydrogen-based end products using the electricity supplied by the Upstream Assets (the Downstream Assets).</p>
Development Phases	<p>The Project will have the following phases of development:</p> <p>(a) pre-feasibility studies;</p> <p>(b) definitive feasibility studies;</p> <p>(c) front-end engineering design;</p> <p>(d) final investment decision;</p> <p>(e) the earlier of:</p> <p style="padding-left: 20px;">(A) where the Project/stage of the Project is initially financed by equity, the down payment being made under the construction contract for the Project/stage of the Project; and</p> <p style="padding-left: 20px;">(B) occurrence of the first drawdown under a non-recourse project finance facility for the Project/stage of the Project, (together, Financial Close), and</p> <p>(f) execution and operation.</p>
Roles and contributions – Total Eren	<p>Total Eren will lead the development and assessment of the Upstream Assets and Downstream Assets (including engineering and concept design and optimisation), lead the procurement of key equipment and selection of EPC contractors and the operation and maintenance contractors and will lead the arrangement of long-term project financing for the Project, among other responsibilities.</p> <p>Total Eren will assist the Project SPV with the marketing and sale of product, such as Hydrogen, generated from the Project.</p>
Roles and contributions - Province	Province will lead the obtention of long-term rights over the land and access rights required to develop, build and operate the Project, including for all Upstream Assets and Downstream Assets, assist the Project SPV to obtain all necessary permits and approvals for the Project and co-ordinate all studies required for the development, connection, construction, commissioning and operation of the Project in consultation with Total Eren.
Shareholders' Agreement	The Parties will negotiate, in a timely manner and in good faith, the key terms of a shareholders' agreement in respect of the Project SPV (SHA) with a view to executing the SHA within 8 weeks after entry into the Term Sheet (Signature Date). The SHA shall be on terms consistent with the Term Sheet to record the parties' objects and aims in relation to the Project. The SHA will contain customary terms for such agreements, and will grant a pre-emptive right to a

	non-selling party should the other seek to sell their interest in the Project. Subject to compliance with this clause, key assets as agreed by the Parties will be transferred or novated into the Project SPV within 8 weeks of the Signature Date.
Development Committee	The parties will establish a development committee, consisting of 2 members from each of Province and Total Eren (to be chaired by a designee of Total Eren) that will be responsible for key decisions in relation to the development of the Project.
Board composition	The board of the Project SPV will comprise 4 directors, including 2 directors from Province and 2 directors from Total Eren for so long as each party holds at least a 47.5% ownership of the Project.
Funding	The parties will jointly fund the costs required to (a) deliver a pre feasibility study and definitive feasibility study and (b) undertake a work program for the same period in proportion to their ownership in the Project via loans to the Project SPV at 5% interest rate above the BBSY on advance. The loans will be capitalised and repaid at Financial Close.
Termination	The Term Sheet shall terminate on the earlier of the execution of the SHA or six months after the Signature Date.
