

Binding Term Sheet with SLB to enable increase of current brine production from Zero Carbon Lithium™ Project

Vulcan Energy Resources Limited (Vulcan; ASX: VUL, FSE: VUL, the Company), and SLB (NYSE: SLB), have signed a Binding Term Sheet (BTS) for services related to the Phase One development of further production and re-injection wells, to increase current geothermal-lithium brine production from Vulcan's Zero Carbon Lithium™ Project.

- SLB (formerly Schlumberger), a global energy technology company and a leader in the geothermal industry, will provide services covering but not limited to well construction, evaluation, production, and optimisation for Phase One of Vulcan's commercial project execution for integrated geothermal renewable energy and lithium production.
- As part of the agreement, SLB will provide technology services for US\$3.6 million in-kind to support the optimisation of workflows to maximise performance.
- Vulcan will grant SLB the full well scope for Phase One on a "Right of First Refusal" (ROFR) basis for all eligible SLB Services.
- SLB will execute drilling services for a minimum of 15 production and re-injection wells, for production of renewable heat and lithium-bearing brine, to increase Vulcan's brine production from its current operations.
- The Parties will further formalise their commercial relationship through a Master Supply Agreement.

"As widely reported, whilst the mining sector is investing in hard-rock lithium production, the oil and gas sector has unique expertise which can be leveraged to develop renewably heated lithium brine assets, which can produce lithium sustainably with a lower carbon footprint. The Zero Carbon Lithium™ Project, which is gearing up to provide sustainable lithium to the European electric vehicle industry and renewable energy to local communities, is well positioned to benefit from partnering with established companies with long-standing expertise in the energy sector like SLB, and we look forward to working together as we ramp up our execution phase", said Vulcan Managing Director and CEO, Dr. Francis Wedin.

"The transition to clean energy solutions will require innovation and collaboration on an unprecedented scale. Our decades of subsurface knowledge, drilling expertise and cutting-edge technologies will be seamlessly integrated in this project to deliver increased brine production, aiding Vulcan in its objective of providing sustainable, decarbonised lithium," said Rob Fox, SLB's Managing Director – Europe."

- Through its GeothermEx consulting and services business, SLB is in a unique position to serve the rapidly growing geothermal industry. SLB has worked in hundreds of geothermal fields in more than 50 countries and has participated in 70% of all operating geothermal projects worldwide, meaning SLB is well equipped for geothermal projects execution, having worked in the subsurface since 1922.

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- SLB has been a leader in drilling technology services for geothermal projects in the Upper Rhine Valley area since 2006 and has handled most of the projects in the area for the past decade, as well as elsewhere in Germany and France.

ASX Guidance Note Requirements

In addition to the material terms of the Agreement set out above, the Company notes that:

1. The parties intend, in good faith, to negotiate the Master Supply Agreement within 60 days of signing the BTS;
2. The in-kind services are to be provided for the duration of the first well; and
3. The BTS remains on foot until execution of the Master Supply Agreement or it is terminated by mutual agreement or unilaterally following a breach.

Vesting of Performance Rights

In addition, pursuant to ASX Listing Rule 3.10.7, the Company advises that a total of 12,897 service rights held by Josephine Bush, Annie Liu and Heidi Grön have vested due to continuous service; the recipients have until 25 June 2024 to exercise these rights.

About Vulcan

Founded in 2018, Vulcan's unique Zero Carbon Lithium™ Project aims to decarbonise lithium production, through developing the world's first net carbon neutral lithium business, with the co-production of renewable geothermal energy on a mass scale. By adapting existing technologies to efficiently extract lithium from geothermal brine, Vulcan aims to deliver a local source of sustainable lithium for Europe, built around a net zero carbon strategy with strict exclusion of fossil fuels. Already an operational renewable energy producer, Vulcan will also provide renewable electricity and heat to local communities.

Vulcan's combined geothermal energy and lithium resource is the largest in Europe¹, with license areas focused on the Upper Rhine Valley, Germany. Strategically placed in the heart of the European electric vehicle market to decarbonise the supply chain, Vulcan is rapidly advancing the Zero Carbon Lithium™ Project to target timely market entry, with the ability to expand to meet the unprecedented demand that is building in the European markets.

Guided by our Values of Integrity, Leadership, Future-focused and Sustainability, and united by a passion for environmentalism and leveraging scientific solutions, Vulcan has a unique, world-leading scientific and commercial team in the fields of lithium chemicals and geothermal renewable energy. Vulcan is committed to partnering with organisations that share its decarbonisation ambitions and has binding lithium offtake agreements with some of the largest cathode, battery, and automakers in the world. As a motivated disruptor, Vulcan aims to leverage its multidisciplinary expert team, leading geothermal technology and position in the European EV supply chain to be a global leader in producing zero fossil fuel, net carbon neutral lithium while being nature positive. Vulcan aims to be the largest, most preferred, strategic supplier of lithium chemicals and renewable power and heating from Europe, for Europe; to empower a net zero carbon future.



¹ According to public, JORC-compliant data. See Phase One DFS announcement, 13 February 2023.

Corporate Directory

Managing Director and CEO	Dr. Francis Wedin
Deputy CEO	Cris Moreno
Chairman	Gavin Rezos
Non-Executive Director	Ranya Alkadamani
Non-Executive Director	Annie Liu
Non-Executive Director	Dr. Heidi Grön
Non-Executive Director	Josephine Bush
Non-Executive Director	Dr. Günter Hilken
Non-Executive Director	Mark Skelton
Executive Director, Germany	Dr. Horst Kreuter
Company Secretary	Daniel Tydde

For and on behalf of the Board

Daniel Tydde | Company Secretary

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Please contact Vulcan's Legal Counsel Germany, Dr Meinhard Grodde, for matters relating to the Frankfurt Stock Exchange listing on mgrodde@v-er.eu.

Reporting calendar

28 July 2023	June Quarterly
15 September 2023	Half Year Report
27 October 2023	September Quarterly
25 January 2024	December Quarterly

Disclaimer

Some of the statements appearing in this announcement may be in the nature of forward-looking statements. You should be aware that such statements are only predictions and are subject to inherent risks and uncertainties. Those risks and uncertainties include factors and risks specific to the industries in which Vulcan operates and proposes to operate as well as general economic conditions, prevailing exchange rates and interest rates and conditions in the financial markets, among other things. Actual events or results may differ materially from the events or results expressed or implied in any forward-looking statement. No forward-looking statement is a guarantee or representation as to future performance or any other future matters, which will be influenced by a number of factors and subject to various uncertainties and contingencies, many of which will be outside Vulcan's control.

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Vulcan has carried out a definitive feasibility study for Phase One of its Zero Carbon Lithium™ Project ('Project'), the results of which were announced to the ASX in the announcement "Zero Carbon Lithium Project Phase 1 DFS Results" dated 13 February 2023 ('DFS'), ('DFS Announcement'). This announcement may include certain information relating to the DFS. The DFS is based on the material assumptions outlined in the DFS Announcement (see "Competent Person Statement" below). While Vulcan considers all of the material assumptions to be based on reasonable grounds, there is no certainty that they will prove to be correct or that the range of outcomes indicated by the DFS will be achieved. This announcement may also include certain information relating to Phase 2 of its Project, Vulcan has not yet carried out a definitive feasibility study for Phase Two of its Project.

Competent Person Statement:

The information in this announcement that relates to Mineral Resources and Ore Reserves, and any Exploration Results and Production Targets, of Vulcan's Zero Carbon Lithium™ Project is extracted from the DFS Announcement, which is available to view on Vulcan's website at www.v-er.eu. Vulcan confirms that in respect of estimates of Mineral Resources and Ore Reserves, and any Exploration Results and Production Targets, included in this announcement:

- it is not aware of any new information or data that materially affects the information included in the original market announcement, and that all material assumptions and technical parameters underpinning the estimates in the original market announcement continue to apply and have not materially changed;
- the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement; and
- all material assumptions underpinning any production targets (and any forecast financial information derived from such production targets) included in this announcement continue to apply and have not materially changed.