

# Prototype Tank contract update

## HIGHLIGHTS:

- **Provaris is engaging with secured lenders (*Lenders*) to explore various pathways following the Prodtex Industri AS bankruptcy. The lenders prefer a swift sale of the secured assets.**
- **Provaris is preparing a proposal to the Lenders based on terms to resume construction of its proprietary *Prototype Tank*, as soon as possible.**

**Provaris Energy Ltd (ASX.PV1) (Provaris or the Company)** updates shareholders following its ASX announcement of 6 June 2024 regarding delays in the completion and testing of its Prototype Tank under a contract with Prodtex AS.

## Prototype Tank Completion Remains a Priority

Provaris' management is focussed on developing proposals to continue the Prototype Tank program. Immediate priorities include:

- Submitting a proposal to the secured Lenders to resume construction of the Prototype Tank;
- Maintaining close communication with Prodtex AS, the Lenders and, if necessary, the Executor of the Prodtex Industri bankruptcy; and
- Reviewing alternative contractors and sites in Europe with experience in automation and robotic laser hybrid welding.

## Background

The Company contracted Prodtex AS to design, construct and test the Company's proprietary hydrogen Prototype Tank. Prodtex AS sub-contracted the construction and testing of the Prototype Tank work to its subsidiary Prodtex Industri AS (*Prodtex Industri*), which filed for bankruptcy on 3 June 2024. Prodtex Industri owns the facility in Fiskå, Norway (*Fiskå Facility*), where Provaris' Prototype Tank was being constructed. Fabrication and welding activities on the Prototype Tank stopped on 6 June 2024. The bankruptcy was caused by major cost- overruns on a separate contract being undertaken directly by Prodtex Industri.

## Update on Prototype Tank & Bankruptcy Process

Recently, Provaris held productive meetings with the court appointed Executor of the Prodtex Industri bankruptcy and the group of secured Lenders, who are in control the Fiskå Facility and all related plant, equipment, and inventory.

Importantly, the group of Lenders are working together to exercise their security rights in order to efficiently manage the Fiskå Facility and secured assets. They have offered to communicate directly with Provaris to develop proposals to complete and test its Prototype Tank and potentially acquire the Fiskå Facility with a suitable partner(s).

Provaris is working on submitting key terms to the Lenders to restart the construction of the Prototype Tank as soon as possible and facilitate its completion and testing within 4-6 months and delivery of the final tank IP, as contracted to Provaris.

Key personnel from Prodtex AS are co-operating with Provaris in the development of plans to recommence the Prototype Tank program and maintain continuity of required personnel at the Fiskå Facility.

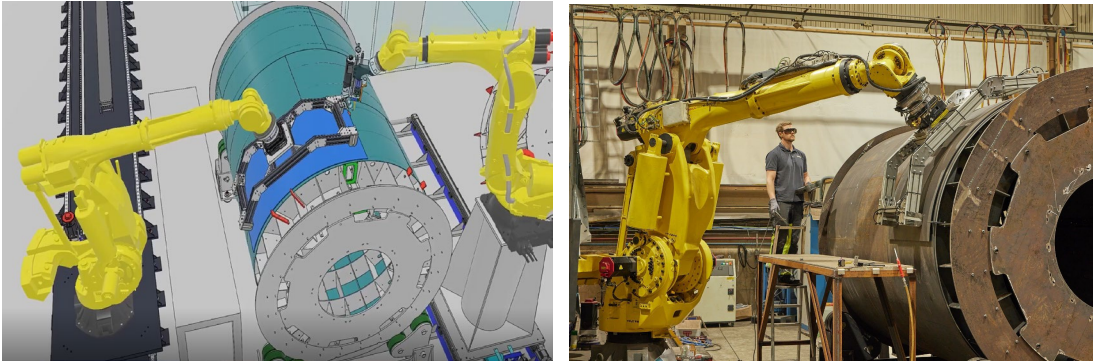
Additionally, Provaris is developing a detailed proposal to the Lenders to acquire the Fiskå Facility and related plant and equipment based on a long-term operational plan for the construction of smaller scale hydrogen tanks (1 to 10 tonne capacity). These tanks would be based on Provaris' Prototype Tank, for marketing and sale to industrial hydrogen users initially in Norway and the European Union.

The acquisition proposal would involve a strategic partner(s), for both financial and operational support, aligning with Provaris' vision for cost and energy efficient hydrogen storage and bulk marine transport using its H2Neo carrier.



The Company will continue to keep shareholders informed of any developments.

**Figure 1: From Digital Twin to Precision Material Handling Robot and mounting of steel plate.**



**Figure 2: Robotic Laser Welding & End-cap Jig illustrating layering of carbon steel plate**



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

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## About Provaris Energy

For more information: [www.provaris.energy](http://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 Asia and Europe, leveraging our innovative compressed hydrogen bulk storage and carrier. Our focus on value creation through innovative development that aligns with our business model of simple and 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.

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