

Lion partners with DGA & Samsung C&T to develop the Port of Brisbane green hydrogen project

Lion Energy Limited ("Lion" or the "Company"; ASX: LIO) is pleased to report that it has entered into a definitive joint development agreement with DGA Energy Solutions Australia Pty Ltd ("DGA"), a wholly owned subsidiary of Mitsubishi Corporation, and Samsung C&T Corporation ("Samsung C&T") to jointly develop its green hydrogen hub at Port of Brisbane (the "Project").

Under the signed agreement, DGA and Samsung C&T will initially pay a total of A\$3.7m to Lion for historical and ongoing pre-construction costs. In return, DGA and Samsung C&T will each become entitled to 25% interest in the Project. Subsequently, upon the parties agreeing to start construction, DGA and Samsung will procure debt financing for a total amount of A\$6.3 million. It is expected that the overall funding commitment associated with the joint development agreement will satisfy the capital requirement to complete the Project.

As a result of the joint development agreement and subject to the parties agreeing to commence construction, the Project company, Lion H2 Energy Pty Ltd, shall be owned in the following proportions: Lion Energy 50%, DGA 25%, Samsung C&T 25%

DGA Energy Solutions Australia Pty Ltd was founded in 2023 in Australia as wholly owned subsidiary of Mitsubishi Corporation (MC). DGA is responsible for MC Power Solution Group's renewable energy and green hydrogen/ammonia production project investment and development in Oceania regions.



Tom Soulsby,
Lion's Executive
Chairman

“ We are delighted to partner with DGA and Samsung, who bring to the Project a wealth of experience in their respective fields. Their interest reflects a confidence not only in the significant potential for green hydrogen in Australia but also in Lion's capabilities. For Lion, the transaction results in the Project being funded and will allow us to allocate existing and future capital for new projects.

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Samsung C&T is an international corporation with four business groups and is a major player globally in Engineering & Construction. Samsung C&T Engineering & Construction group provides integrated business solutions to customers worldwide in the areas of energy solutions (plant), commercial and residential buildings and civil infrastructure construction.

The Project consists of a green hydrogen production and dispensing infrastructure at Port of Brisbane, with total production capacity in excess of 300 tonnes per annum. As previously announced to the ASX on 20 March 2024 and 24 April 2024, Lion had already obtained relevant government approvals for the Project and has signed a 10+10yrs lease with Port of Brisbane Pty Ltd.

Lion has already entered procurement agreements with key equipment providers which has enabled the company to secure the supply of two electrolyzers and a refuelling package. Two hydrogen tube trailers have already been secured and are currently being leased to third parties at commercial rates until required for the Project.

The Port of Brisbane project is likely to create a blueprint for other green hydrogen hub/spoke supply facilities across eastern Australia. Ultimately, Lion aims to become a key player in assisting the heavy-mobility transportation industry in the push towards zero-emissions.



Figure 1: Image of approved development plan

Mr Soulsby went on to say that “as the project has matured into this joint development agreement amongst quality global players, hydrogen offtake interest has followed. We are now quite confident that our initial markets for our green hydrogen production will be the displacement of grey hydrogen to green hydrogen for industrial customers, fuel cell gensets (which displace oversized and inefficient diesel gensets at construction, mining and event sites) and heavy mobility players such as bus operators and truck fleet managers. We expect to update the market on offtake agreements in Q3 2024”

Key terms of the joint development agreement are:

- DGA and Samsung C&T will each pay Lion 25% of pre-construction costs incurred to date and will become entitled to a 25% interest each in the Project.
- DGA and Samsung C&T to contribute 25% each of ongoing pre-constructions costs up to a total aggregate amount of A\$3.7m.
- Subject to the parties agreeing to commence construction and the relevant underlying transaction and project documents being agreed,
 - i. Lion will transfer 25% ownership in Lion H2 Energy Pty Ltd, a wholly owned subsidiary of Lion Energy Limited, to each of DGA and Samsung C&T and
 - ii. DGA and Samsung C&T will procure a A\$6.3m term loan financing to Lion H2 Energy Pty Ltd.

This ASX announcement was approved and authorised for release by the Board of Directors.

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