

**8 August 2024**

ASX Limited  
Level 40 Central Park  
152-158 St Georges Terrace  
Perth WA 6000

Attention: Mr Sam Dorland,  
Adviser, Listings Compliance (Perth)

By Email: [ListingsCompliancePerth@asx.com.au](mailto:ListingsCompliancePerth@asx.com.au)

Dear Mr Dorland,

**RESPONSE TO ASX QUERY**

Provaris Energy Ltd (ASX code: PV1) (**Company**) refers to your letter dated 7 August 2024 (**Letter**).

We hereby respond to your questions in the same order as your Letter.

1. The Memorandum of Understanding (**MOU**) was signed by the final signatory at 11.35pm (AWST) on Thursday, 1 August 2024. Note, the two counterparties to the MOU operate in Germany and Norway and hence there is a time zone (CET) difference when actions are being taken (i.e., close to a full working day behind AWST).

The contents of the associated announcement required approval of all parties. Several advanced draft announcements had been exchanged between the parties prior to execution of the MOU and there was an expectation that final sign-off would be available on Friday, 2 August 2024 during CET business hours. However, it became apparent that final sign-off by one party may in fact not be available until Monday, 6 August 2024, during CET business hours.

Given the availability of signatories can be difficult to coordinate, delaying the execution of the MOU was not a preferred option of the parties (particularly as key individuals located in Europe are taking holidays over the current summer period).

2. Yes. The Company fully assessed whether the information contained in the announcement was potentially market sensitive and required disclosure pursuant to ASX Listing Rule 3.1.
3. Not applicable.
4. In considering whether a specific issue is potentially share price sensitive, the Company considers the requirements of:
  - (i) ASX Listing Rules, being "a reasonable person would expect the information to have a material effect on the price or value of the entity's securities", and
  - (ii) Section 677 of the Corporations Act, being "a reasonable person would be taken to expect information to have a material effect on the price or value of securities of a disclosing entity if the information would, or would be likely to, influence persons who commonly invest in securities in deciding whether to acquire or dispose of the disclosing entities securities."

Assessment of the above requirements is not a clear cut yes or no and, in this case, factors considered by the Company included:

- (A) Concern that, between (i) the execution of the MOU (11.35pm AWST, Thursday, 1 August 2024) and (ii) the then likely delay in obtaining final approval of the associated announcement, details of the execution of the MOU may be inadvertently disclosed. While the three MOU parties are subject to stringent confidentiality terms, numerous parties (technical, commercial, and legal) are involved in the drafting, negotiation, and execution of such agreements and inadvertent disclosure is difficult for any party to control.
- (B) Given the Company's share price is currently around \$0.02, an increase or decrease in the Company's share price of only \$0.0025 represents a 25% movement; which would be considered material.
- (C) The MOU being non-exclusive was not a material consideration for the Company. At this reasonably early stage of the rapidly expanding hydrogen sector globally (and, in particular, in Europe) major participants understandingly are assessing all options and it would be unusual for them to agree to full exclusivity.

Indeed, this is also a major consideration for the Company, which would be reluctant to accept any exclusive arrangement until fully termed binding agreements are executed. Note, the Company has signed two other MOUs for cooperation on the development of hydrogen supply chain stages and therefore there would be limited commercial benefit to the Company in pursuing exclusivity.

Being non-exclusive does not in any way lessen the intent and commitment of the parties to the subject matter of the MOU. Note the Company has signed two other MOUs for co-operation on the development of hydrogen supply chains, and therefore, there is limited commercial benefit to be exclusive.

- (D) The MOU being non-binding was a consideration by the Company. The influencing considerations were that, from the Company's experience:
  - (i) When a major European utility signs an MOU (or similar agreement), and whether or not binding, they are committed to the subject matter of the agreement.
  - (ii) Major European utilities are generally reluctant to have their name included in any announcements. The fact that Uniper was prepared for the Company and Norwegian Hydrogen AS to include reference to Uniper in the announcement is a further indication of their commitment to the scope of the cooperation under the MOU.

A reference to non-binding should not be construed as an absence of commitment by the parties to the scope and terms of the MOU.

- (E) The scope of the cooperation between the parties was a material consideration. To date the Company has executed several MOU's and similar agreements which have generally been restricted to one segment of the total hydrogen value chain (i.e., production and export project, marine transportation, or import terminals). The subject MOU is the first executed by the Company which actually covers the entire hydrogen value chain, including production and export, marine transportation, and import and distribution.

5. The following extracts from the subject ASX announcement are considered relevant in understanding the significance of the MOU:
- (i) "Objective is to work towards binding agreements required for the supply and offtake of hydrogen and shipping using Provaris' H2Neo carriers".
  - (ii) "The Parties will collaborate in exploring the potential for Uniper to off-take RFNBO compliant hydrogen, which will be produced by Norwegian Hydrogen and transported and stored using Provaris' H2Neo carriers and H2Leo storage barges."
  - (iii) "This collaboration highlights the business case for compression in becoming a preferred alternative for a cost competitive solution to supply RFNBO compliant hydrogen, offering both capital and energy efficiency for regional hydrogen supply."
  - (iv) Norwegian Hydrogen CEO comment: "We remain highly committed to the collaboration we've had with Provaris since 2022, and I cannot think of a better offtake partner than Uniper to support the development of our joint projects. This new agreement is positive for all the three parties involved, and I am confident that it will bring strong and tangible results."

The above, and other comments in the ASX announcement articulate the full hydrogen value chain scope of the cooperation, each party's specific role in relation to the full hydrogen value chain, and importantly the objective of the parties to work towards binding agreements.

In relation to the final point above, progressing to fully termed and binding agreements is a key objective of the Company. The execution of such agreements will deliver significant commercial benefits, including (i) elevating the Company from the current pre-development phase to a definitive project development phase and (ii) providing opportunities to enter into licensing agreements for the Company's proprietary design H2Neo carrier and H2 Leo barge and ship charter agreements for the use of the Company's H2Neo carrier.

6. We hereby confirm that the Company is complying with the ASX Listing Rules, including ASX Listing Rule 3.1.
7. We hereby confirm that the Company's above responses have been authorised and approved in accordance with its published continuous disclosure policy and, in this case, approved by the Company's Board.

Yours sincerely



Martin Carolan  
Managing Director & CEO

**For further information please contact:**

Martin Carolan  
Managing Director & CEO  
[mcarolan@provaris.energy](mailto:mcarolan@provaris.energy)

Norman Marshall  
Company Secretary  
[nmarshall@provaris.energy](mailto:nmarshall@provaris.energy)



7 August 2024

Reference: 97638

Mr Norman Marshall  
Company Secretary  
Provaris Energy Ltd

By email: nmarshall@provaris.energy

Dear Mr Marshall

**Provaris Energy Ltd ('PV1'): ASX Query**

ASX refers to the following:

- A. PV1's request for a trading halt lodged with the ASX Market Announcements Platform ('MAP') and released at 07:35 AM AWST on 2 August 2024 in which PV1 requested a trading halt in its securities pending '*an announcement on the potential execution of a material agreement in relation to the Company's hydrogen production and export projects and compressed hydrogen shipping activities in Europe.*' ('Trading Halt Request').
- B. PV1's announcement titled Nordic Hydrogen Supply Chain with Uniper lodged with MAP and released at 07:56 AM AWST on 6 August 2024 in which PV1 disclosed it had agreed a non-binding, non-exclusive memorandum of understanding with Uniper Global Commodities SE and Norwegian Hydrogen AS pursuant to which the parties will collaborate in exploring the potential for Uniper to off-take hydrogen produced by Norwegian Hydrogen and be transported using PV1's carriers and barges (the 'Announcement'). The release of the Announcement lifted the trading halt in PV1's securities.
- C. The closing price of PV1's securities (\$0.02) on 1 August 2024, the day before the Trading Halt Request was effected.
- D. The closing price of PV1's securities (\$0.02) on 6 August 2024, following release of the Announcement. Over the course of trading on 6 August 2024, PV1 securities with a total value of approximately \$9,955 (equating to approximately 0.079% of PV1's market capitalisation) traded following the release of the Announcement.
- E. The Listed@ASX Compliance Update no. 08/24 published on 25 July 2024 which noted the following at section 2:

*'ASX would not expect an entity to request a trading halt before it has assessed whether particular information is in fact market sensitive and therefore needs to be disclosed under Listing Rule 3.1. Having made that assessment, if the entity is able to give the required announcement to ASX promptly and without delay then, in most cases, it will not need a trading halt to manage its disclosure obligations.'*

- F. ASX Guidance Note 16 – Trading Halts and Voluntary Suspensions, which includes the following:

At section 2 - General principles ASX applies to requests for halts or suspensions - **trading interruptions should be kept to a minimum** (emphasis added)

At section 3.3 – When to request a trading halt

*'An entity should consider requesting a trading halt whenever it is necessary to manage its continuous disclosure obligations under Listing Rules 3.1-3.1B. This can arise, for example, where a listed entity*

---

*has become aware of information that a reasonable person would expect to have a material effect on the price or value of its securities but it is not in a position to make an announcement about the information to the market promptly and without delay.'*

G. Listing Rule 3.1 which states:

*"Once an entity is or becomes aware of any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities, the entity must immediately tell ASX that information"*

### **Request for Information**

Having regard to the above, ASX asks PV1 to respond separately to each of the following questions and requests for information:

1. Please provide the time and date the non-binding, non-exclusive memorandum of understanding was signed by PV1, Uniper and Norwegian Hydrogen?
2. Prior to sending ASX the Trading Halt Request, did PV1 conduct an assessment as to whether the information contained in the Announcement was in fact market sensitive and required disclosure pursuant to Listing Rule 3.1?
3. If the answer to question 2 is 'no', why did PV1 not conduct such an assessment before submitting the Trading Halt Request?
4. If the answer to question 2 is 'yes', what factors led PV1 to form the view that it was necessary for PV1 to submit a Trading Halt Request in order to prepare the Announcement. In answering this question, please comment specifically on the non-binding, non-exclusive nature of the memorandum of understanding.
5. Given the memorandum of understanding disclosed in the Announcement is both non-binding and non-exclusive, please specify what information in the Announcement PV1 considers material information that a reasonable person would expect to have a material effect on the price or value of PV1's securities and the basis for PV1 forming that view.
6. Please confirm that PV1 is complying with the Listing Rules and, in particular, Listing Rule 3.1.
7. Please confirm PV1's responses to the above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its Board or an officer of PV1 with delegated authority from the Board to respond to ASX on disclosure matters.

ASX expects PV1 to make reasonable enquiries to put itself in a position to answer the questions above.

### **When and where to send your response**

This request is made under Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by no later than **04:00 PM AWST Friday, 9 August 2024**. Your response should be sent by e-mail to [ListingsCompliancePerth@asx.com.au](mailto:ListingsCompliancePerth@asx.com.au). It should not be sent directly to the ASX Market Announcements Office. This is to allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

### **Release of correspondence between ASX and entity**

We reserve the right to release all or any part of this letter, your reply and any other related correspondence between us to the market under listing rule 18.7A.

---

Yours sincerely

---

ASX Compliance