

ASX Announcement (ASX: NRZ)

6 February 2024



Term Sheet signed with Samsung C&T

NeuRizer Ltd (the Company (NRZ)) is pleased to announce the signing of a Term Sheet for the negotiation in good faith of a Sales and Marketing agreement with Samsung C&T Corporation (Samsung) for the Australian urea market. This is in addition to the already signed offtake agreement with Daelim Co Ltd (DL Trading).

On 4 July 2022 NRZ signed an offtake agreement with DL Trading for up to 500,000 tons of urea a year. This agreement with Samsung is complimentary to the agreement with DL Trading. This means that the combined amount of production accounted for will be up to 800,000 tons of urea per year upon signing of the definitive agreement with Samsung. There is no guarantee that a definitive agreement will be entered into between the parties. The Term Sheet will remain valid until execution of a definitive agreement or termination of the Term Sheet in accordance with the agreement.

The Term Sheet sets out key commercial terms for a definitive agreement to be negotiated in good faith between the parties. The agreed commercial terms may not be substantially altered or modified in the definitive agreement.

The signing of the Term Sheet heralds a collaboration between NRZ and global trading giant Samsung which is intended to result in a definitive agreement:

- having a 5-year term from first production from the Leigh Creek Urea Plant (NeuRizer Urea Project (“NRUP”)), which will automatically renew thereafter from year to year unless terminated by either party on 6 months prior notice; and
- providing for, among other things:
 - the marketing by, and sale to, Samsung of up to 100,000 tonnes per year of granular urea from the NRUP which, by mutual agreement may be increased to up to 300,000 tonnes per year;

- Samsung to pay NRZ for the urea it purchases a net back price equal to the price at which Samsung sells the urea to its customers (CFR basis or equivalent) less Samsung's direct costs and less a commission calculated on that price less Samsung's direct costs;
- Samsung to have first priority for the purchase of 25,000 tonnes of urea in each quarter of the term of the definitive agreement;
- the required urea specification that NRZ is to meet;
- the right for a party to terminate for the others material and continuing breach not remedied within 60 days of notice to remedy or an insolvency event occurring in respect of the other party or its ultimate parent company;
- an exclusion of liability for special, indirect, consequential or punitive damages or loss of profit or business revenue or opportunity; and
- the governing law to be that of England and Wales with disputes to be arbitrated in London under the rules of the London Court of International Arbitration.

In addition to the key commercial terms the Term Sheet:

- gives Samsung the right to withdraw from the Term Sheet before the definitive agreement is signed if there is a material change in NRZ and the NRUP (including shareholders, shareholding structure and partnership of NRZ, Project Schedule or Project description); and
- contains typical boilerplate termination, confidentiality, benefit, costs and expenses, governing law and dispute resolution provisions (the latter being the same as in the agreed commercial terms).

The Term Sheet is NRZ's first collaboration with Samsung. The potential exists for, in addition to the definitive agreement, additional collaborations in the future, including the possibility of a collaboration in clean ammonia business.

The execution of the definitive agreement would underscore NRZ's commitment to strengthening global food security and position it as a key player in the domestic and international urea supply chain.

NeuRizer plans to be at the forefront of Australian urea production with its 1 million tonnes per annum Leigh Creek Urea Plant in South Australia. The NRUP is nearing the completion of its Bankable Feasibility Study, with the Front-End Engineering and Design (FEED) finalized. Upon

meeting the Final Investment Decision (FID) criteria, detailed plant design will commence under NRZ's EPCC contract with DL E&C, also a shareholder in the company.

Samsung C&T, is a Fortune 500 leading global entity, dedicated to delivering optimal solutions to customers through key industrial materials trading and eco-friendly business development and also is one of the largest global fertilizer traders having a strong international presence with 71 offices in 41 countries.

Justyn Peters, NRZ's Executive Chairman, commented:

"This Term Sheet with Samsung C&T Corporation is significant as it potentially will give rise to an important milestone in the development of the NeuRizer Urea Project. The definitive agreement to be negotiated under this collaboration would not only benefit Samsung's existing and future customers in Australia but also would enable expansion into growing global markets. This compliments and adds to the agreement we have already signed with DL Trading.

It would mark a significant step towards creating two robust businesses with shared goals. We eagerly anticipate further collaborations and are proud to join hands with a globally renowned company that shares our commitment to securing the global food supply chain."

The NeuRizer Board has authorised this announcement for release to the ASX.

Further Information

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