

ASX ANNOUNCEMENT

GAS SUPPLY AGREEMENT WITH MEREENIE JV PARTNERS UPDATED



29/07/2024

Arafura Rare Earths Limited (ASX: ARU) (“Arafura” or the “Company”) announces that its 100 percent owned subsidiary Arafura Nolans Project Pty Ltd has revised its gas supply agreement (**GSA**) with the Mereenie field joint venture (**Mereenie JV**) partners Central Petroleum, Cue Energy, Horizon Oil Limited and New Zealand Oil & Gas for the supply of up to a combined 16.44 petajoules (**PJ**) of natural gas for the Company’s Nolans Project (**the Project**).¹

Under the terms of the revised agreement the Company will take 5.49PJ in 2028 and the Mereenie JV will nominate the volume of gas to be made available in 2029 and 2030, with that volume not to exceed 10.95PJ.

The revised GSA includes take-or-pay provisions and fixed pricing, with allowances for escalation in line with the consumer price index. The revised volumes will satisfy most of the Project’s immediate requirements, with any shortfall anticipated to be purchased at spot on market. The revised GSA provides additional flexibility to the Company and enables it to now tailor the gas delivery timing to better match its start-up profile, still on a take-or-pay basis.

Additionally, the revised GSA consolidates the conditions precedent (**CP**) into a single CP for the Company, being the Arafura Board making a final investment decision to proceed with the development of the Nolans Project by 31 December 2024.

Mereenie is the largest producing onshore gas field in the Northern Territory. Central Petroleum is the Mereenie field operator and holds a 25% participating interest; Cue Energy Resources has a 7.5% participating interest; Horizon Oil Limited has a 25% participating interest; and New Zealand Oil & Gas has a 42.5% participating interest.

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Further Information:

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¹ Refer ASX announcement 12 February 2024