

29 August 2024

ASX ANNOUNCEMENT

Fortescue to acquire strategic interest in HyTerra

Cornerstone investment to fund exploration on Nemaha Project

- **Fortescue will acquire a strategic 39.8% interest in HyTerra at A\$0.034 per share for a total subscription of A\$21.9M, subject to HyTerra shareholder approval**
- **Funds will be used for significant additional leasing together with an agreed geophysics and expanded exploration drilling campaign at the Nemaha Project, Kansas USA**
- **Fortescue and HyTerra will enter into a Strategic Alliance Agreement to progress the Nemaha Project and explore new opportunities globally**
- **Current two well drilling campaign would be replaced by a six well campaign to commence after the finalisation of the Subscription, expected in Q4 2024.**

HyTerra Ltd (ASX: HYT) ("**HyTerra**" or "**the Company**") is pleased to announce that Fortescue Future Industries Technologies Pty Ltd ("**Fortescue**"), a wholly owned subsidiary of Fortescue Ltd, will invest A\$21.9M to acquire a ~39.8 per cent interest in HyTerra (the "**Subscription**"), subject to HyTerra shareholder approval. The Fortescue group is a technology, energy and metals group accelerating the commercial decarbonisation of industry, rapidly, profitably and globally.

With this investment from Fortescue, HyTerra will continue to pursue white hydrogen as a means to accelerate global decarbonisation efforts. White hydrogen is made by nature underground and extracted by conventional techniques. HyTerra is exploring for white hydrogen (and helium) resources within its 100 per cent owned and operated Kansas leases connected via existing transport infrastructure to major industrial hubs ("**Nemaha Project**"), within an incentivised market and with a supportive regulatory structure.

The Subscription by Fortescue will fully-fund an expanded initial exploration phase of the Nemaha Project facilitating a significant increase in pre-drill acreage, resulting in increased drilling of prospects in several identified geological play areas. Such a rigorous exploration program enhances HyTerra's potential to unlock commercial opportunities in the Mid-West, USA. Furthermore, a Strategic Alliance Agreement is to be agreed between HyTerra and Fortescue as soon as practicable following the completion of the Subscription. The purpose of this agreement will be to facilitate collaboration on the Nemaha Project and progress global opportunities.

Commenting on the investment by Fortescue, HyTerra's Executive Director Mr Benjamin Mee said:

"We are very pleased with this opportunity. An investment by Fortescue is a testimony to the hard work and delivery performance of the HyTerra team, the diverse geological plays available within our Nemaha Project leases, and our global growth opportunities in the pipeline."

"This investment would enable HyTerra to have a strong financial position going forward; but it's the possibility to propel the global decarbonisation journey with such a visionary company that is truly exciting! HyTerra would then drill six wells across multiple geological plays to choose the best areas to develop and through the strategic alliance with Fortescue use this knowledge and data to pursue other global opportunities."

The Subscription

HyTerra and Fortescue have executed a Subscription Agreement pursuant to which Fortescue will subscribe for:

- 644,117,647 fully paid ordinary shares in HyTerra at A\$0.034 per share, and
 - 322,058,824 free-attaching options exercisable at A\$0.051 per option, with an expiry date of 3 years from the issue date,
- (together, the "**Subscription Securities**").

The Subscription is subject to and conditional upon:

- HyTerra's shareholders approving by resolution the issue of the Subscription Securities to Fortescue (or its nominee) for the purposes of Item 7 of section 611 of the Corporations Act, and for all other purposes, by no later than 11 November 2024; and
- no Material Adverse Effect occurring on or before the Business Day before satisfaction of the shareholder approval stated above.

Following completion of the Subscription, Fortescue will have invested A\$21.9M into HyTerra and will hold 39.8 per cent of HyTerra's issued capital, making Fortescue HyTerra's largest shareholder. Fortescue will also have the right to nominate a Director to the HyTerra Board.

The Subscription Agreement is otherwise on reasonably standard terms and conditions for an agreement of this nature, including with respect to the provision of warranties by HyTerra.

It is the intention of HyTerra to use the Subscription funds to increase its lease acreage, execute geophysical surveying and drill six exploration wells in the Nemaha Project. The currently planned drilling campaign is postponed until after the finalisation of the Subscription, expected in Q4 2024.

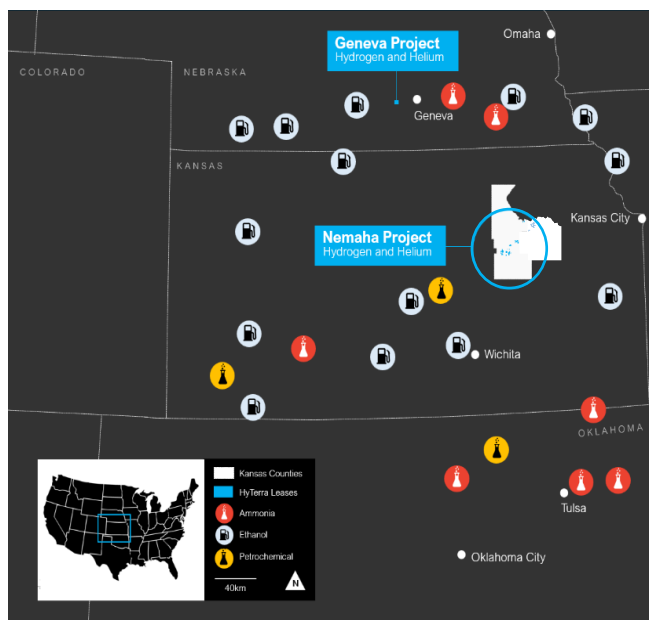
This announcement has been authorised for release by the Board of Directors of HyTerra Ltd.

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HyTerra. A World of Opportunity.

Exploring for natural hydrogen and helium resources near major industrial hubs. White hydrogen's potential as a low-carbon feedstock or fuel has spurred millions in new investment and created a world rich with opportunities for first movers.



HyTerra was the first company to list on the ASX with a focus on white hydrogen, which is generated naturally by the Earth. White hydrogen potentially has much lower production costs and carbon emissions than man-made hydrogen.

Our Nemaha Project in Kansas, USA, holds 100% owned and operated leases across the emerging Nemaha Ridge natural hydrogen and helium play fairway. Our Geneva Project in Nebraska, USA, is a 16% earn-in interest in a Joint Development with Natural Hydrogen Energy LLC targeting natural hydrogen and helium.

Both projects could be connected via railways, roads, and/or pipelines to multiple nearby off-takers, including ethanol and ammonia manufacturers, and petrochemical plants.

For more information please see the latest corporate presentation: www.hyterra.com

Forward Looking Statements:

This release may contain forward-looking statements. These statements relate to the Company's expectations, beliefs, intentions or strategies regarding the future. These statements can be identified by the use of words like "anticipate", "believe", "intend", "estimate", "expect", "may", "plan", "project", "will", "should", "seek" and similar words or expressions containing same. These forward-looking statements reflect the Company's views and assumptions with respect to future events as of the date of this release and are subject to a variety of unpredictable risks, uncertainties, and other unknowns. Actual and future results and trends could differ materially from those set forth in such statements due to various factors, many of which are beyond our ability to control or predict. These include, but are not limited to, risks or uncertainties associated with the discovery and development subsurface gas reserves, cash flows and liquidity, business and financial strategy, budget, projections and operating results, gas prices, amount, nature and timing of capital expenditures, including future development costs, availability and terms of capital and general economic and business conditions. Given these uncertainties, no one should place undue reliance on any forward-looking statements attributable to HyTerra, or any of its affiliates or persons acting on its behalf. Although every effort has been made to ensure this release sets forth a fair and accurate view, we do not undertake any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.