

Main heat offtake agreement for Phase One signed

Vulcan signs renewable heat offtake agreement with German energy supplier Energie Sued-West

Vulcan Energy (Vulcan, ASX: VUL, FSE: VUL, the Company) is pleased to announce it¹ has officially signed a heat offtake agreement with German municipal energy supplier, EnergieSüdwest AG (ESW), for the supply of geothermal renewable heat from Vulcan's Lionheart Phase One Project.

Key highlights

- The agreement was signed in a ceremony attended by representatives from the Company, ESW, and Mayor of the City of Landau, Dr Dominik Geißler
- Under the terms of the agreement, the Company has agreed to supply various districts in the Landau area with geothermally generated heat produced from several production sites, which make up Vulcan's Phase One Project, for a period of 35 years
- The signing follows the commencement of renewable heat supply to ESW in April 2025 from the Company's existing geothermal wells in Landau, directly into the neighbouring ESW heating system
- The agreement forms part of the Company's integrated lithium and renewable energy development, Phase One Lionheart Project, and reflects Germany and Europe's broader commitment to develop local, renewable sources of energy
- To further expand the supply of renewable heat and provide sustainable energy to more households and businesses in Landau, the Company plans to complete five additional production well sites as part of the HEAT4LANDAU Project², which awarded the Company a €100m grant from the German Federal Ministry of Economics and Climate Protection in November 2024
- The Company is already commercially producing geothermal, baseload power in Germany for 6,500 homes. Production of renewable heat will gradually ramp up as part of Vulcan's Phase One Project
- The agreement underscores the significance of the planned Geothermal Acceleration Act in Germany which aims to benefit geothermal operators, federal states, and local authorities by accelerating the development of geothermal energy. The Act is expected to become law by early 2026, supporting Germany's goal of generating 10TWh of domestic geothermal energy production by 2030 and 300TWh by 2050, to meet a quarter of Germany's annual heating demand, key to Europe's broader climate protection target³
- Additionally, a non-binding cooperation framework agreement was signed, which sets out the basic conditions for further heat offtake agreements with surrounding municipalities to be concluded in the future.

¹ Through its wholly owned subsidiary, Natürlich Südpfalz GmbH & Co KG (NSG).

² Funded by the European Union - NextGenerationEU. The expressed Views and opinions expressed are solely those of the author(s) and do not necessarily reflect the views of the European Union or the European Commission. Neither the European Union nor the European Commission can be held responsible for them.

³ Roadmap for Deep Geothermal Energy for Germany, 10 October 2022, <https://doi.org/10.24406/publica-248>

Vulcan Energy's Managing Director and CEO, Cris Moreno, commented: "The signing of these agreements with ESW marks an important step toward sustainable, long-term district heating, reducing reliance on fossil fuels while supporting regional energy independence and climate goals.

This initiative signals the beginning of a broader transition to renewable geothermal energy in Landau, with the potential to significantly cut CO₂ emissions and set a precedent for other communities."

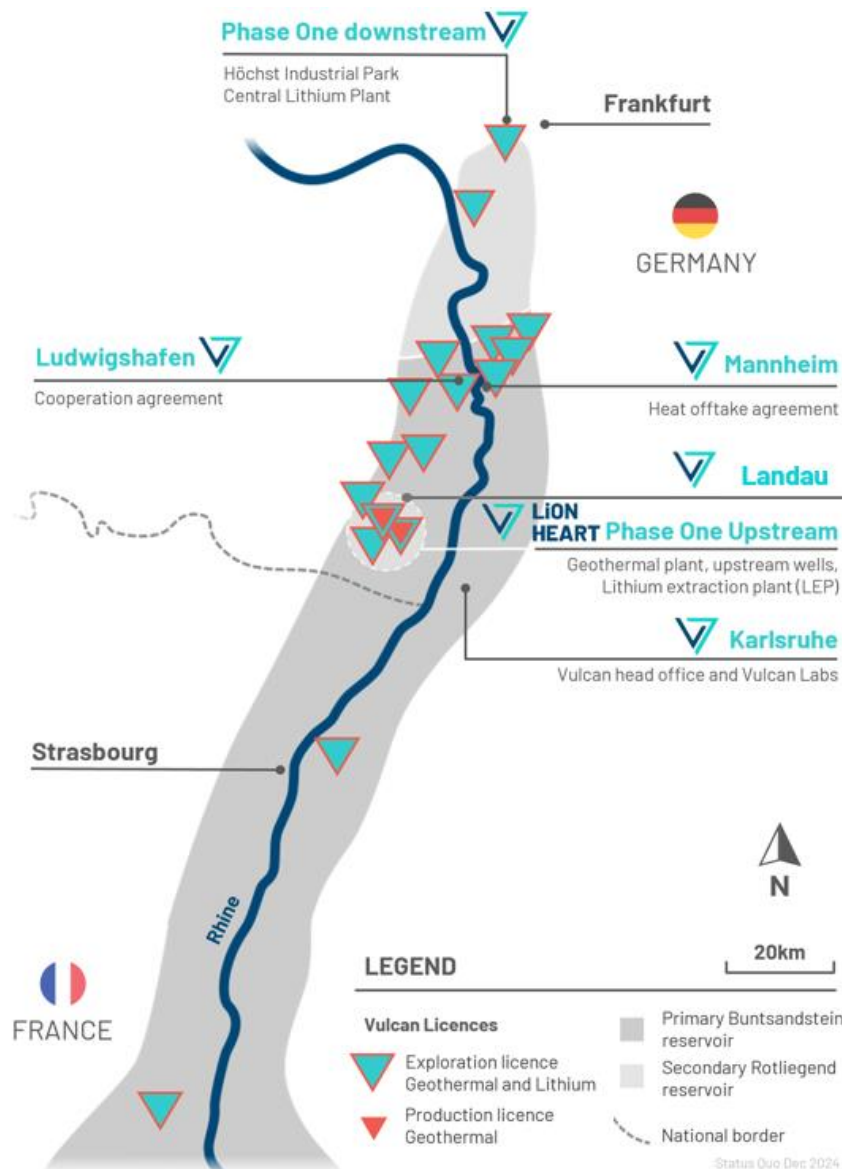


Figure 1: Map of Vulcan Energy's licence areas in the URVBF, incorporating the Landau region at Phase One Upstream.

Material terms of the agreement

The agreement otherwise contains the following material terms:

- a) it covers the supply of three different heat products, being:
 - i) the standard district heating inlet at 95 °C;
 - ii) high temperature heat for special applications at 150 °C; and
 - iii) low temperature heat at 60 °C.
- b) it has a term of at least 35 years extended by five years should the agreement not be terminated without cause on four years notice. Either party also has the right to terminate the agreement for good cause (i.e. insolvency or repeated breach of the agreement).
- c) the heat will be made available (1) from the existing Landau Süd production centre owned and operated by Vulcan and (2) from the Geothermal and Lithium Extraction Plant (G-LEP) centre to be constructed in the D12 industrial site as part of Vulcan's Phase One Project.
- d) construction of the transfer centre at D12 is subject to receipt by Vulcan Energy⁴ of written confirmation of (1) acquisition of the relevant land from the City of Landau, with the Company currently holding an option to acquire this land following execution of this agreement; and (2) receipt of the necessary building permit.
- e) heat supply at D12 is subject to a positive investment decision by ESW, commencement of construction of the transmission pipe system and at least one doublet has been successfully commissioned.
- f) pricing under the agreement is based on three components, being (1) monthly fixed price, (2) variable price and (3) price increase over time based on CPI and other relevant factors with adjustments made on an annual basis.
- g) the amount of heat purchased steps up over time, from 25 GWh initially, up to a potential maximum of 595 GWh by 2042.
- h) the agreement otherwise contains terms and conditions customary for an agreement of this nature.

<ENDS>

For and on behalf of the Board

Daniel Tydde | Company Secretary

Further information

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Please contact Vulcan's Legal Counsel Germany, Dr Meinhard Grodde, for matters relating to the Frankfurt Stock Exchange listing on mgrodde@v-er.eu

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About Vulcan Energy

Vulcan Energy (ASX: VUL, FSE: VUL) is building the world's first carbon neutral, integrated lithium and renewable energy business to decarbonise battery production. Vulcan's Lionheart Project, located in the Upper Rhine Valley Brine Field bordering Germany and France, is the largest lithium resource in Europe⁵ and a tier-one lithium project globally. Harnessing natural heat to produce lithium from sub-surface brines and to power conversion to battery grade material and using its in-house industry-leading technology VULSORB®, Vulcan is building a local, low-cost source of sustainable lithium for European electric vehicle batteries. For more information, please go to <https://v-er.eu/>

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Some of the statements appearing in this announcement may be in the nature of forward-looking statements. You should be aware that such statements are only predictions and are subject to inherent risks and uncertainties. Those risks and uncertainties include factors and risks specific to the industries in which Vulcan operates and proposes to operate as well as general economic conditions, prevailing exchange rates and interest rates and conditions in the financial markets, among other things. Actual events or results may differ materially from the events or results expressed or implied in any forward-looking statement. No forward-looking statement is a guarantee or representation as to future performance or any other future matters, which will be influenced by a number of factors and subject to various uncertainties and contingencies, many of which will be outside Vulcan's control.

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Vulcan has carried out a definitive feasibility study ("DFS") and bridging engineering study ("Bridging Study") for its Phase One Project, the results of which were announced to the ASX in the announcements Phase 1 DFS Results dated 13 February 2023 (DFS Announcement) and Bridging Study Results on 16 November 2023 (Bridging Study

⁵ On a lithium carbonate equivalent (LCE) basis, according to public information, as estimated and reported in accordance with the JORC Code 2012. See Appendix 4 of Vulcan's Equity Raise Presentation dated 11 December 2024 for comparison information.

Announcement). This announcement may include certain information relating to the DFS and the Bridging Study. The DFS and Bridging Study are based on the material assumptions and parameters outlined in their respective announcements. While Vulcan considers all of the material assumptions to be based on reasonable grounds, there is no certainty that they will prove to be correct or that the range of outcomes indicated by the Bridging Study or DFS will be achieved. This announcement may also include certain information relating to Phase Two of its Project, Vulcan has not yet carried out a definitive feasibility study for Phase Two of its Project.

Competent Person Statement

The information in this announcement that relates to estimates of Mineral Resources and Ore Reserves is extracted from the Bridging Study Announcement which is available to view on Vulcan's website at <https://v-er.eu> Vulcan confirms, that:

- a) in respect of any estimates of Mineral Resources and Ore Reserves included in this announcement:
 - i. it is not aware of any new information or data that materially affects the information included in the original market announcement, and that all material assumptions and technical parameters underpinning the estimates in the original market announcement continue to apply and have not materially changed; and
 - ii. the form and context in which the Competent Persons' findings are presented in this announcement have not been materially modified from the original market announcement; and
- b) all material assumptions underpinning the production targets (and the forecast financial information derived from such production targets) included in this announcement continue to apply and have not materially changed.