



Pure Hydrogen

ASX Announcement

Spinout of Australian gas assets into separate ASX Listing

- Pure Hydrogen to spin out its Australian gas assets into a new ASX-listed gas exploration and development company, Eastern Gas Limited ('Eastern Gas'), via an Initial Public Offering ('IPO'), subject to ASX and board approval
- Eastern Gas is expected to raise \$8 million to \$10 million at IPO to fund its near-term works program, commencing with fracture stimulation at Windorah and drill / flow-testing works at Project Venus
- As part of the transaction, Pure Hydrogen shareholders will be entitled to receive an in-specie distribution of shares in Eastern Gas on an indicative basis of 1 new share in Eastern Gas for every 5 shares held in Pure Hydrogen (final basis to be determined)
- Eastern Gas will own a natural gas portfolio comprising two highly prospective tenements in Queensland's prolific Cooper Basin and Walloon CSG fairway
- Eastern Gas portfolio will comprise:
 - the Windorah Gas project in the Cooper Basin (330 BcF 2C Resources); and
 - Project Venus (123 BcF 2C Resources), 100%-owned CSG assets located in the prolific Walloon CSG fairway adjacent to a network of nearby gas operators
- Exploration and development will be overseen by an experienced Board and management team with a proven track record in the development of large-scale oil & gas projects in domestic and international markets

Sydney, 15 November 2024: Australian clean energy company Pure Hydrogen Corporation Limited (ASX: PH2) ("Pure Hydrogen" or "the Company") is pleased to advise that it has commenced plans to demerge its portfolio of Australian natural gas assets into a separate listed entity (the 'Proposed Transaction'). The Proposed Transaction will see the establishment of a new ASX-listed gas exploration company, Eastern Gas Limited ('Eastern Gas').

Pure Hydrogen's Managing Director, Mr Scott Brown, commented: *"Given Pure Hydrogen's stated strategy to advance the commercial rollout of zero emission vehicles, and hydrogen infrastructure and equipment, the Board and management team have consistently assessed the strategic rationale for a demerger of the Company's Australian gas assets, considering market conditions and the potential to unlock additional value for the Company and our shareholders.*

In that context, we are pleased to announce this planned spinout, which in our view reflects the robust outlook for natural gas as an important bridge fuel as part of the global energy transition, alongside the obvious potential for Eastern Gas to accelerate its exploration strategy with IPO funding as a separate listed entity.



Through the IPO process, we intend for Pure Hydrogen shareholders to be given the opportunity to subscribe for shares in addition to the shares provided by their in-specie distribution. We look forward to providing additional updates in the near-term as the planned spin-out IPO process progresses.”

Overview

Under the Proposed Transaction, Pure Hydrogen proposes to spin out its Australian portfolio of natural gas assets into a separate listed entity via an in-specie distribution of all of Pure Hydrogen’s shares in Eastern Gas together with an associated Initial Public Offering (‘IPO’). The transaction will result in the establishment of a separate listed entity, Eastern Gas, which will operate with 100% ownership of a natural gas portfolio comprising two highly prospective tenements in Queensland’s prolific Cooper Basin and Walloon CSG fairway.

Led by an experienced Board and management team, Eastern Gas will be focused on the development of its asset suite to provide Australians with energy security and a reliable source of power as part of the long-term clean energy transition. Eastern Gas’s exploration portfolio at IPO will comprise:

- **Windorah Gas Project in the Cooper Basin;** 330 BCF 2C Resources with planned short-term works program to undertake well fracture stimulation and testing.
- **Project Venus, Surat Basin CSG, Queensland;** 123 BCF 2C Resources within the Walloon CSG fairway, with planned short-term works program to drill, de-water and flow test up to 2 horizontal wells.

The Proposed Transaction will enable Pure Hydrogen to advance its strategy to spearhead the growth of Australia’s emerging hydrogen economy, through a dual-phase approach comprising the sale and delivery of hydrogen fuel cell (‘HFC’) and electric vehicles with a focus on the heavy-vehicle industry, alongside targeted strategies to build out the supply of hydrogen fuel and associated refuelling infrastructure.

Project Overview – Windorah Gas

Located in Queensland in the prolific Cooper Basin, the Windorah project hosts prospective OGIP (Original Gas in Place) of 4,400 BCF, with 2C Resources of 330 BCF and 3C Resources of 770 BCF, with estimates independently certified by independent petroleum engineering firms DeGoyler & MacNaughton and Aeon Petroleum Consultants (see Figure 1).

Subject to a successful IPO, Eastern Gas will hold a 100% operated interest in the Windorah Gas project. Near-term, funds raised from the IPO will be deployed towards a fracture stimulation program for the Queenscliff-1 well, which the Company anticipates will result in a significant improvement in gas flow rates. Planned follow-up exploration and flow-testing analysis will comprise additional drilling and flow-testing for Queenscliff area, with the aim of confirming commercial flowrates.

Project Overview – Venus

The Venus project comprises a suite of Coal-Seam-Gas (CSG) assets in Surat Basin, Queensland – part of the proven Walloon CSG fairway – with 123 BCF 2C Resources and 536 PJ in Prospective Resources. The Walloon CSG fairway is a prolific gas production region with over 10,000 wells drilled (see Figure 2).

The Venus project sits adjacent to multiple nearby gas operators including major producer Senex Energy, which

is owned jointly by Hancock Prospecting and South Korean steel major Posco. Initial works programs will comprise drilling, de-watering and flow testing for two horizontal wells targeting the Upper Juandah coals, with the aim to confirm commercial flow rates and convert the 2C contingent resource to 2P.

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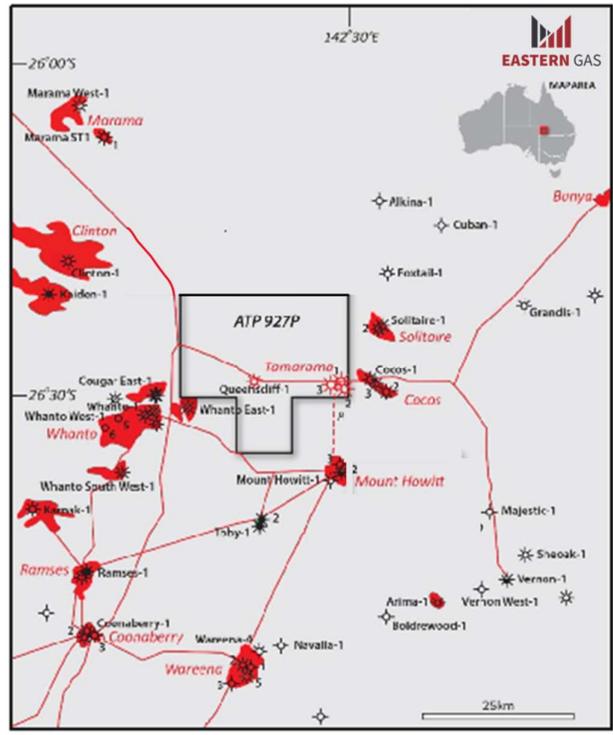


Image 1: Map of the Windorah Gas Project in the Cooper Basin

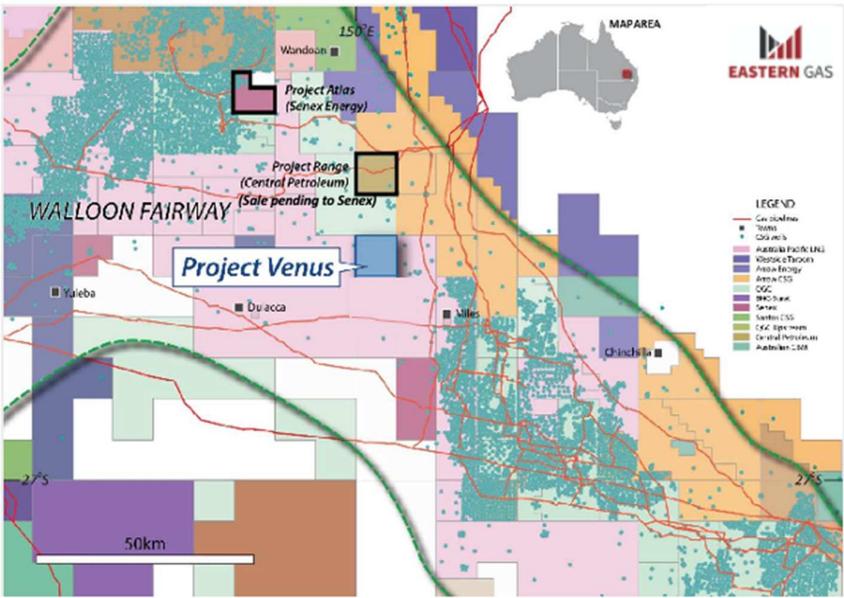


Image 2: Project Venus, located adjacent to major east coast gas producers

Board and Management

Pure Hydrogen Corporation Limited
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Mr David Spring will be appointed as CEO of Eastern Gas. Mr Spring has over 35 years' experience as an executive and geoscientist, with direct involvement in the delivery of multiple successful onshore and offshore international oil and gas Exploration, Appraisal, Development projects. He previously held the role of Executive General Manager, Exploration at Senex Energy and his career experience includes senior executive roles at Maersk Oil and BHP.

Pure Hydrogen Managing Director Scott Brown will also join the Board of Eastern Gas as a Non-Executive Director as will Pure Hydrogen's Non-Executive Mr Lan Nguyen, joining as an alternative director, alongside Non-Executive Director Alex Hunter, a senior business executive who now runs Hunter Corporate Advisory and Non-Executive Chairman, James Canning-Ure who works as a Corporate Advisor.

Proposed Spinout and Next Steps

As part of the Proposed Transaction, eligible Pure Hydrogen shareholders will be entitled to an initial in-specie distribution of 100% of Pure Hydrogen's shares in Eastern Gas on an indicative basis of 1 new share in Eastern Gas for every 5 shares held in Pure Hydrogen (final basis to be determined). Eligible shareholders will not be required to pay any consideration for these shares, however, these shares may be subject to voluntary or ASX-imposed escrow restrictions.

Eligible shareholders are defined as those Pure Hydrogen shareholders whose address is registered in Australia, New Zealand or any other jurisdiction approved by Pure Hydrogen in its absolute discretion. Shares allocated to ineligible foreign shareholders as part of the in-specie distribution will be transferred to a sale agent nominated by Pure Hydrogen. The details on cut-off date for shareholders eligibility and escrow requirements will be announced later when finalised.

The in-specie distribution will be accompanied by a capital raising of between \$8 to 10 million. Pure Hydrogen shareholders will have the option to acquire additional shares in Eastern Gas ('IPO Shares'). Further details will be provided in due course.

As part of the proposed listing on the ASX in the IPO, Eastern Gas expects to raise \$8 million to \$10 million (before costs).

The proposed listing is subject to final board and regulatory approvals, including the relevant approvals from ASX.

Additional information will be provided in the coming weeks.

This announcement has been approved for release to the ASX by the Board of Pure Hydrogen Corporation Limited.

For further information, please contact:

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Released through: Ben Jarvis, Six Degrees Investor Relations, +61 (0) 413 150 448

This announcement has been authorised by the Managing Director of Pure Hydrogen Mr Scott Brown.

Or visit the website: www.purehydrogen.com.au



About Pure Hydrogen Corporation Limited

Pure Hydrogen is a clean energy-focused company seeking to become the leader in the development of Hydrogen and Energy Projects. It has plans to supply hydrogen fuel as a domestically sourced clean fuel in Australia and other countries. Coupled with its controlling shareholding of HDrive offering an expanding line of Hydrogen fuel cell and electric commercial vehicles to customers seeking to reduce their emissions. Pure Hydrogen has a number of solutions that can allow transition to Zero Emissions (ZE) for commercial customers. Concurrently, the Company is developing natural gas projects directly in Australia and indirectly in Botswana through a strategic investment it holds in a Botswana-focused energy company listed on the ASX.

Strategically, Pure Hydrogen will also prioritise incubation for early-stage companies or projects within the clean energy sector, with the aim of realising profits from those investments. For further details visit www.purehydrogen.com.au

Forward-Looking Statements This announcement may contain 'forward looking statements' concerning the financial conditions, results of operations and business of the Company. All statements other than statements of fact are or may be deemed to be 'forward looking statements'. Often, but not always, 'forward looking statements' can be identified by the use of forward looking words such as 'may', 'will', 'expect', 'intend', 'plan', 'estimate', 'anticipate', 'continue', 'outlook', and 'guidance' or other similar words, and may include, without limitation, statements regarding plans, strategies and objectives of management, future or anticipated production or construction commencement date and expected costs, resources and reserves, exploration results or production outputs. Forward looking statements are statements of future expectations that are based on management's current expectations and assumptions, but known and unknown risks and uncertainties could cause the actual results, performance or events to differ materially from those expressed or implied in these statements. These risks include, but are not limited to, price fluctuations, actual demand, currency fluctuations, drilling and production results, resource and reserve estimates, loss of market, industry competition, environmental risks, physical risks, legislative, fiscal and regulatory developments, economic and financial market conditions in various countries and regions, political risks, project delay or advancement, approvals and cost estimates.

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Geological Information

The geological information in this announcement relating to geological information and resources is based on information compiled by Mr Nguyen, who is a Member of Petroleum Exploration Society of Australia and has sufficient experience to qualify as a Competent Person. Mr Nguyen consents to the inclusion of the matters based on his information in the form and context in which they appear. The information related to the results of drilled petroleum wells has been sourced from the publicly available well completion reports. The Company has used a conversion factor of 1.05 to convert Bcf amounts to PJs equivalent.



As reported in the Company's announcement dated 4 May 2021, the Project Venus contingent gas resources estimates are 1C 87.7 Pj, 2C 130.3 Pj and 3C 157.9 Pj with remaining prospective gas resources of 536 Pj (best-case estimate).

The Company has aggregate total estimates of 918.8 Bcf contingent gas resources (3C) AND 9.3 Tcf prospective gas resources (best-case estimate). These totals are a sum of the contingent and prospective gas resources estimates of the Windorah gas project (contingent resources of 770 Bcf (3C), 330 Bcf (2C) and 118 Bcf (1C), prospective resources of 8.8 Tcf (best-case estimate)), the Venus Gas Project (contingent resources of 157.9 Pj (3C), 130.3 Pj (2C) and 87.7 Pj (1C), prospective resources of 536 Pj (best-case estimate)).

In connection with the above estimates, the Company refers to the announcement dated 23 August 2019 by Real Energy Corporation Limited, a predecessor of the Company that delisted from the ASX on 25 March 2021.

Cautionary Statement: The estimated quantities of petroleum that may potentially be recovered by the application of a future development project(s) relate to undiscovered accumulations. These estimates have both a risk of discovery and a risk of development. Further exploration appraisal and evaluation is required to determine the existence of a significant quantity of potentially recoverable hydrocarbons.

The Contingent resources is a summary of 2 reports for the Windorah Gas Project. One estimate prepared by DeGolyer and MacNaughton, a leading international petroleum industry consulting firm in June 2015 in respect of the Queenscliff Area and one estimate prepared by Aeon Petroleum Consultants in respect of the Tamarama area completed in August 2019. The prospective resources estimate of 8.8 Tcf (is based on the work by DeGolyer and MacNaughton adjusted for the permit that was relished by the Company).