

ASX Announcement

11 January 2022

Countrywide Renewable Hydrogen Limited Project and Acquisition Update

Highlights

- **Melbourne Hydrogen Hub project (MHH)** – CRH's MHH is one of three CRH green hydrogen projects with offtake opportunities to decarbonise road transport (using hydrogen fuel cell trucks and buses), for power generation (using green electricity) and by blending green hydrogen into natural gas networks.
- **MHH delivered hydrogen cost optimisation** – Swinburne University of Technology's Victorian Hydrogen Hub (VH2) is currently modelling renewable energy options to minimise electricity cost and the overall cost of delivered green hydrogen from the MHH. The cost of the modelling work is being met by funding provided to VH2 from the Victorian government.
- **VH2** – Swinburne works with the CSIRO and Germany's ARENA 2036 to progress new and emerging green hydrogen technologies and selected the MHH to conduct its price modelling.
- **Proposed acquisition of CRH well progressed** – General Meeting to seek shareholder approval for the acquisition to be held on 1 February 2022. Notice of meeting including Independent Expert Report released on 24 December 2021.
- **Independent Expert's** opinion that the proposed acquisition is **fair and reasonable**.
- **2022 outlook** – progress with the MHH project and CRH's two other projects supported by existing non-binding strategic collaboration agreements (including two ASX 100 listed companies), and potential for material domestic green hydrogen demand, provide strong tailwinds to progress the pipeline of green hydrogen opportunities during 2022.
- Following the proposed acquisition of CRH, Board and management's **2022 green hydrogen focus** is to build on the project origination outcomes achieved and progress the three Australian projects by securing land, partners, power purchase and offtake agreements.

ReNu Energy Limited (**ReNu Energy**) (**ASX: RNE**) is pleased to provide the following update to shareholders.

CRH's Melbourne Hydrogen Hub Project

Swinburne University of Technology's Victorian Hydrogen Hub (**VH2**) is engaging with some of Australia's leading companies to help Australia transition to a hydrogen economy. It is based at Swinburne University of Technology (**Swinburne**), funded by the Victorian government and led by Swinburne working in partnership with the CSIRO and Germany's ARENA 2036 to bring together researchers, industry partners and businesses. Testing, trialling and demonstrating new and emerging hydrogen technologies, VH2 supports

sustainable manufacturing practices and the ability to store clean energy from renewable sources, striving to create a more sustainable future.

VH2 is modelling a series of renewable energy options aimed at minimising the cost of electricity for the MHH project's electrolyser. The cost of electricity has a direct relationship to the delivered price of green hydrogen for the project's bus industry customers. The cost of the modelling work is being met by funding provided to VH2 from the Victorian government.

CRH's MHH is planned for the city's northern suburbs and aims to supply green hydrogen initially to three bus companies to expedite the transition to emission-free hydrogen fuel cell electric buses. Green hydrogen produced at MHH will also have broader applications in transport (such as in trucks and materials handling equipment) and in natural gas decarbonisation.

ReNu Energy and CRH expect VH2's proprietary modelling to provide opportunities to optimise the MHH Project and strengthen CRH's technical and commercial capability for application in its other projects. Work is progressing on CRH's three Australian projects, with the focus on building on the collaboration agreements in place to secure land, project partners and offtake agreements. Financial Investment Decision (**FID**) on at least one project is targeted by the end of 2022.

CRH Managing Director Mr Geoffrey Drucker said: *"We are excited to be collaborating with such a high calibre organisation in VH2 and are confident that its work will provide valuable insight into the most cost effective and efficient way to power both our MHH project and future developments. One of our main focuses for MHH is providing emissions reductions for road transport and materials handling. This is a large, addressable market for CRH and will allow the company to target a suite of corporate customers."*

ReNu Energy CEO Greg Watson said: *"In making the decision to acquire CRH, we were particularly attracted to the company's origination expertise and existing portfolio of opportunities. The hydrogen production cost optimisation work being done by VH2 together with existing collaboration agreements and a potential for material domestic green hydrogen demand provide strong tailwinds to further progress during 2022 the pipeline of green hydrogen opportunities that the CRH founders have originated."*

CRH acquisition update

ReNu Energy is continuing to progress well with its proposed acquisition of CRH with the following key conditions precedent satisfied:

- ASX confirmation that ReNu Energy is not required to re-comply with Chapters 1 and 2 of the ASX Listing Rules.
- Agreement by the CRH convertible noteholders to sell their shares in CRH to ReNu Energy on conversion of their CRH convertible notes.
- Each of the three existing CRH shareholders and founders (**CRH Founders**) entering into an Escrow Deed for the voluntary escrow of:
 - 100% of the ReNu Energy Shares they will receive as consideration for the acquisition of CRH (**Consideration Shares**) for 12 months from the date of completion of the acquisition;
 - 75% of their Consideration Shares for 18 months from completion; and
 - 50% of their Consideration Shares for 24 months from completion.
- Each of the CRH Founders entering into employment agreements with ReNu Energy.

The CRH acquisition remains subject to other completion conditions precedent, including approval by ReNu Energy shareholders. The Notice of General Meeting to seek shareholder approval for the acquisition was

announced to ReNu Energy shareholders on Friday 24 December 2021, with the meeting to be held on 1 February 2022.

The ReNu Energy Board has unanimously recommended that ReNu Energy shareholders vote in favour of Resolutions 1 and 2 at the General Meeting, which relate to the acquisition of 100% of the issued capital of CRH (**Proposed Transaction**). The reasons for this recommendation are discussed in detail in the Explanatory Memorandum to the Notice of General Meeting released on 24 December 2021.

ReNu Energy appointed BDO Corporate Finance Ltd as the Independent Expert to assess the merits of the Proposed Transaction and to provide an opinion as to whether the Proposed Transaction is fair and reasonable to ReNu Energy shareholders.

The Independent Expert has opined that the Proposed Transaction is fair and reasonable. A copy of the Independent Expert's Report is set out in Appendix A to the Notice of General Meeting.

Should shareholders approve the Proposed Transaction at the General Meeting and the remaining completion conditions precedent are met, Board and management's focus during 2022 for the Australian green hydrogen projects will be:

- Converting collaboration agreements into definitive arrangements with project equity partners.
- Securing power purchase agreements and offtake customers.
- Selection and acquisition of land.
- Project scoping and engineering works.
- Seeking available government grant funding.
- Reaching FID on at least one project by the end of 2022.

About CRH

CRH originates green hydrogen projects with a view to developing them in collaboration with project partners and governments, initially targeting domestic market demand and where viable, expanding the projects to meet future export demand. CRH's business model is to retain equity in each project as it moves through development, into production and revenue generation.

CRH's pipeline of Australian project opportunities comprises:

- The Melbourne Hydrogen Hub, targeted to produce and supply hydrogen to bus companies to facilitate transition to emission-free hydrogen fuel cell electric buses. Hydrogen produced at MHH will also have broader applications in the transport sector (such as in trucks and materials handling equipment) and in natural gas decarbonisation.
- Hydrogen Tasmania incorporating a proposed 10MW pilot project targeting production of 4.5 tonnes per day of hydrogen for domestic use. Hydrogen Tasmania is progressing to align with the State Government's Renewable Hydrogen Action Plan.
- Hydrogen Portland in Victoria's southwest, stage 1 of which is a proposed 10MW electrolyser supplying hydrogen to the local mobility and gas markets. The opportunity may be scalable to export hydrogen given the local port infrastructure and proposed new wind power generation in the area.

To progress these opportunities CRH has collaboration agreements in place with several large companies (including two ASX 100 listed entities and a global gas company) interested in providing renewable energy, land and taking green hydrogen produced by the projects for use in mobility (such as in trucks and buses), power generation, natural gas decarbonisation and materials handling. These collaboration agreements are



non-binding, strategic framework documents which are intended to be converted into definitive arrangements as proposed project opportunities progress commercially.

CRH is also building a pipeline of offshore opportunities in Atlantic Canada and Pacific Northwest USA.

This announcement has been authorised for release to ASX by the Board.

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