

TNG ADVANCES GREEN HYDROGEN STRATEGY WITH AGV ENERGY DEVELOPMENT AGREEMENT

Joint venture plans to evaluate and progress development opportunities for multiple “HySustain” green hydrogen production plants within Australia

Key Points

- **Project Development Agreement (“Agreement”) executed with Malaysian-based green energy company AGV Energy & Technology (“AGV Energy”) to jointly and exclusively develop green hydrogen production projects in Australia using the “HySustain” technology developed by AGV and its partners.**
- **HySustain, which produces green hydrogen using the electrolysis of demineralised water and renewable energy, is at an advanced stage of development based on a test plant delivered in Europe.**
- **TNG and AGV will jointly scope, evaluate, plan and execute HySustain project opportunities via an incorporated joint venture company on the basis of an agreed staged development framework.**
- **The parties will assess an initial project opportunity in Northern Australia close to key Asian energy markets.**
- **The joint venture’s objective is to develop multiple HySustain production plants within Australia to service emerging green hydrogen demand in Australia and key Asian markets.**

Further to its announcement of 21 June, Australian resource and mineral processing technology company TNG Limited (ASX: TNG) (“TNG” or the “Company”) is pleased to announce that it has executed a Project Development Agreement (“Agreement”) with Malaysian-based AGV Energy & Technology Sdn Bhd (“AGV Energy”) to jointly and exclusively develop green hydrogen projects in Australia using the “HySustain” production technology.

AGV Energy has developed HySustain in conjunction with its global development partners to produce green hydrogen and oxygen using the electrolysis of demineralised water and 100% renewable energy. The technology is well advanced, based on the results from a test plant in Europe to validate its operational and commercial feasibility.

The Agreement marks another key strategic step in the implementation of TNG’s green energy strategy, with TNG and AGV Energy intending to jointly scope, evaluate, plan and execute HySustain project opportunities in Australia via an incorporated joint venture company on the basis of an agreed development framework.

The joint venture’s ultimate objective is to develop multiple HySustain production plants around Australia to diversify production and service green hydrogen demand and emerging regional hydrogen markets, with a focus on Australia, Japan and South Korea. AGV Energy is well advanced in discussions with potential hydrogen off-takers in the region, including potential groups who have expressed preliminary interest in Australian green hydrogen off-take.

Australia is well positioned to become a leader in the emerging global shift to hydrogen, with ample potential for cost competitive renewable energy, strong existing trade links to key Asian energy markets, and an impressive track record in large-scale development and industrialisation of major energy industries.

TNG executed a Heads of Agreement with AGV Energy in June to collaborate on opportunities for vanadium redox flow battery (“VRFB”) and green hydrogen technology integration in Malaysia and Australia (see ASX Announcement of 21 June 2021).

The parties have since advanced detailed discussions on a standalone green hydrogen project development strategy for Australia, including the identification of an initial project opportunity in Northern Australia, culminating in the signing of the Project Development Agreement announced today.

The joint venture with AGV Energy is separate to the work being planned by TNG for development of technology to produce green hydrogen for potential application as the reduction agent in TNG’s proposed TIVAN® processing technology and at the Mount Peake Project (see ASX Announcement of 17 September 2020).

Management Comment

Commenting on the signing of the Project Development Agreement, TNG’s Managing Director & CEO, Mr Paul Burton, said:

“The execution of this Project Development Agreement with AGV Energy marks another exciting step towards the delivery of our green energy strategy, with a focus on evaluating specific opportunities to implement AGV’s HySustain Technology within Australia. We are impressed with AGV’s sustainable solution for decarbonisation, which we believe can be a positive contributor to assist industries within Australia with the transition to carbon-efficient operations and mitigation of climate change risks.”

“This joint venture forms an important part of TNG’s program to reduce our carbon emissions and undertake proactive measures to embrace world-leading ESG standards and practices. The momentum towards a hydrogen-based economy continues to grow in Australia, and we are looking forward to the opportunity to play a role in this exciting sector through our association with AGV Energy.”

AGV Energy’s Managing Director & CEO, Mr. Alfred Adaikalaraj, said:

“We are very pleased to partner with TNG to collaborate on opportunities for implementation of the HySustain Technology in Australia. We believe Australia possesses all of the necessary elements required to support development of a competitive and sustainable green hydrogen industry capable of servicing growing demand in the Asian region for clean energy and hydrogen applications. We look forward to bringing our expertise in renewable energy to Australia and building this exciting joint venture with TNG.”

Authorised by:

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About TNG

TNG is a Perth based resource and mineral processing technology company focussing on building a world-scale strategic metals business based on its flagship 100%-owned Mount Peake Vanadium-Titanium-Iron Project in the Northern Territory. Located 235km north of Alice Springs, Mount Peake will be a long-life project producing a suite of high-quality, high-purity strategic products for global markets including vanadium pentoxide, titanium dioxide pigment and iron ore fines. The project, which is expected to be a top-10 global producer, has received Major Project Status from the Northern Territory and Federal Governments.

TNG is also advancing a green energy strategy with the dual objective of offsetting carbon emissions from its planned future operations and generating new business opportunities in the alternative energy market to create additional shareholder value, with a focus on green hydrogen and vanadium redox flow batteries.

Forward-Looking Statements

This report has been prepared by TNG Limited. This report is in summary form and does not purport to be all inclusive or complete. Recipients should conduct their own investigations and perform their own analysis in order to satisfy themselves as to the accuracy and completeness of the information, statements and opinions contained.

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