

Hexagon's WAH₂ Project

Low Emissions Ammonia

Investor Briefing

November 2024

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There are forward looking statements in this document relating to the outcomes of the Pre-Feasibility Studies and ongoing work on the WAH₂ Project. Actual results and developments of projects and the market development may differ materially from those expressed or implied by these forward-looking statements. These, and all other forward-looking statements contained in this document are subject to uncertainties, risks and contingencies and other factors, including risk factors associated with the hydrogen business. It is believed that the expectations represented in the forward looking statements are reasonable but they may be affected by a variety of variables and changes in underlying assumptions which could cause actual results or trends to differ materially, including but not limited to price fluctuations, actual demand, currency fluctuations, loss of market, industry competition, environmental risks, physical risks, legislative, fiscal and regulatory changes, economic and financial market conditions in various countries and regions, political risks, project delay or advancement, approvals and cost estimates.

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Gas Supply

Hexagon has not secured a long-term gas supply agreement. There is no guarantee that current discussions will convert into firm commitments to supply gas over the long term. It should be noted that the WAH₂ Project is contingent on securing long term gas supply in line with the assumed volumes, timing and price. If this cannot be achieved, there is a risk that the WAH₂ Project may be downgraded, deferred or may not go ahead.

Financing

Hexagon has not secured funding for the WAH₂ Project and accordingly to achieve the range of outcomes required for Phase 1, Hexagon will need to secure between A\$405M and A\$567M in funding for the project (assuming farmout of 65% - 75% project, leaving Hexagon with a 25% - 35% project share). There is no certainty Hexagon will be able farm out the WAH₂ Project or to raise the amount of funding when required. It should also be noted that any raise may only be available on terms that may be dilutive to shareholders or otherwise affect the value of Hexagon's shares. If the proposed farm-out or funding cannot be achieved, there is a risk that the WAH₂ Project may be downgraded, deferred or may not go ahead.

Company Overview



Hexagon Energy Materials Limited

ASX listed **project developer** (HXG)*

Competitive, **low-emissions ammonia** export project (WAH₂), annual net CF A\$244 million (100% project)¹

Targeting **substantial growth market** opportunity, ~US\$10 Bn pa market by 2035²

Leading clean ammonia project with ideal site secured, PFS completed, Pre-FEED nearing completion

Multiple near term rerating events – on track for FEED entry end 2024 with partner MOUs/Agreements

FID target end 2025

*HXG.ASX. Shares on issue 512,915,901. Market capitalisation \$11.8 million at 30 September 2024, \$1 million convertible note (ASX: 20 June 2024), cash of \$0.51 million at 30 September 2024.

¹WAH₂ Project Pre-Feasibility Study Updated Announcement (ASX: 2 August 2023); annual net CF estimate from 2028.

²Low-emissions ammonia market opportunity expected to reach 20 MTPA in Japan by 2035 based on 20% ammonia co-firing of coal-fired fleet.

Hexagon Corporate Overview

Growth phase company

Hexagon is at a critical inflection point in the execution of its clean ammonia strategy.

The Company’s valuation is starting to benefit from the strategic initiatives implemented over the past two years.

Multiple near term de-risking and re-rating events.

Hexagon is tightly held with a conservative capital structure.

Key Metrics ¹ at 31/10/24			
Shares on Issue	512,915,901	Average daily trading volume	524,436
Market Capitalisation	A\$12.3 M	12-month Share Price performance	+200%
Top-5 Holding	~ 20%	12-month trading range	A\$ 0.007 - 0.028



Note (1) Source asx.com.au

World class execution team

Team with track record and experience of building and leading major energy businesses

Wealth of experience in **developing projects and businesses** from inception to multi-billion-dollar enterprises.

Board of Directors



Charles Whitfield
Chairman

CIO of Drumrock Capital
Successful turnaround of Galaxy Resources (Arcadia Lithium) Ex Citibank MD & Deutsche Bank



Andrew Kirk
Commercial Director

Head of LNG for Power Co., Bangkok.
Ex-17 years **Woodside** LNG Strategy
Co-founder Green Hydrogen Asia



Garry Plowright
Non-Exec Director

Land Access and Approvals
Manager at **Pilbara Minerals**
History in Mining law, regulatory process and mine development



Philipp Kin
Non-Exec Director

investment banking (M&A, DCM and ECM) and energy research roles including Lead WA LNG Asset Economist at **Shell**

Combined experience over 80 years with focus on **technical & commercial development of projects in joint venture with Japanese corporates.**

Project Team



Stephen Hall
CEO/ Project Leader

30 years-experience energy sector
Ex-**Woodside Energy** VP Strategy, Power & New Markets
Ex-VP North-West Shelf Development



Reinhardt Matisons
Business Development

35 years commercial experience
Energy sector. Ex-EVP Marketing, Trading & Shipping at **Woodside Energy** Ltd. Ex-Senior Consultant Poten & Partners



Neil Theobald
Business Development

Snr Adviser Asia Natural Gas & Energy Asscn - Senior Advisor to **McKinsey & Co.** -Ex-**Chevron** VP Global LNG, Gas & Trading Ex-Non-Exec Chair North-West Shelf Gas



Liz Sully
Regulatory Approvals

25 years regulatory approvals experience in energy sector
Ex-**Santos & Woodside**
Regulatory Approvals Specialist

World class technical advisors to provide **detailed technical and costing analysis.**

Industry partners

Petrofac 
Engineering and construction specialists

Leading energy services company with expertise in engineering consultancy to design, build, and operate world-class low emissions energy facilities.

TOPSOE
Ammonia Process specialists

Industry leader with SynCOR Ammonia™ utilizes stand-alone autothermal reforming for the production of syngas instead of conventional tubular reforming.

Low-emissions Ammonia Opportunity

Market opportunity – NH₃ the hydrocarbon substitute HEXAGON

Ammonia set to play a significant role in decarbonising power generation and shipping

Clean ammonia will play an essential role in the energy transition.

Increasingly recognised as the pragmatic choice for decarbonisation.

And an opportunity to decarbonise Australia's energy exports.

Power Generation

- Currently 1/3 of Japan's electricity needs are met from coal-fired generation¹
- Japan has committed to reduce greenhouse gas emissions by 46% in 2030²
- Government and industry plan that by blending ammonia with coal, Japan can meet low-emissions targets with existing power plants

Marine Fuel

- Substituting ammonia for marine fuel oil and diesel
- IMO³ driving decarbonization, 30% emissions reduction by 2030, 80% by 2040⁴
- Australian iron ore exports a priority, highest tonnage trade route globally



Huge Demand Growth

Huge growth in market for low-emissions ammonia, expected to reach 20 MTPA⁵ with a value of US\$10 Bn/yr⁶ by 2035

Increasing government support

Strategic investment and policy support for clean ammonia

Strong market pull for clean ammonia is being driven by Government support in Japan and elsewhere.

While Australian Government support is encouraging supply development.

Japanese Government

US\$60 B allocated to support establishment of clean ammonia and hydrogen supply chains¹

Includes supply Chain subsidies to incentivise producers

- To bridge the gap between the ammonia price that producers and consumers require

Includes financial support for import infrastructure support

- 8 locations to be selected

Revised JOGMEC Act² enables capital contributions and debt guarantees to clean ammonia production projects

Australian Government

Northern Australia Infrastructure Facility (A\$7 B)³

- Potential concessional finance

A\$140 million State and Federal funding for the Pilbara Hydrogen Hub⁴

- To position Pilbara as a global hub for ammonia/hydrogen production and export

Australian Federal Government's proposed Hydrogen production Tax Incentive⁵

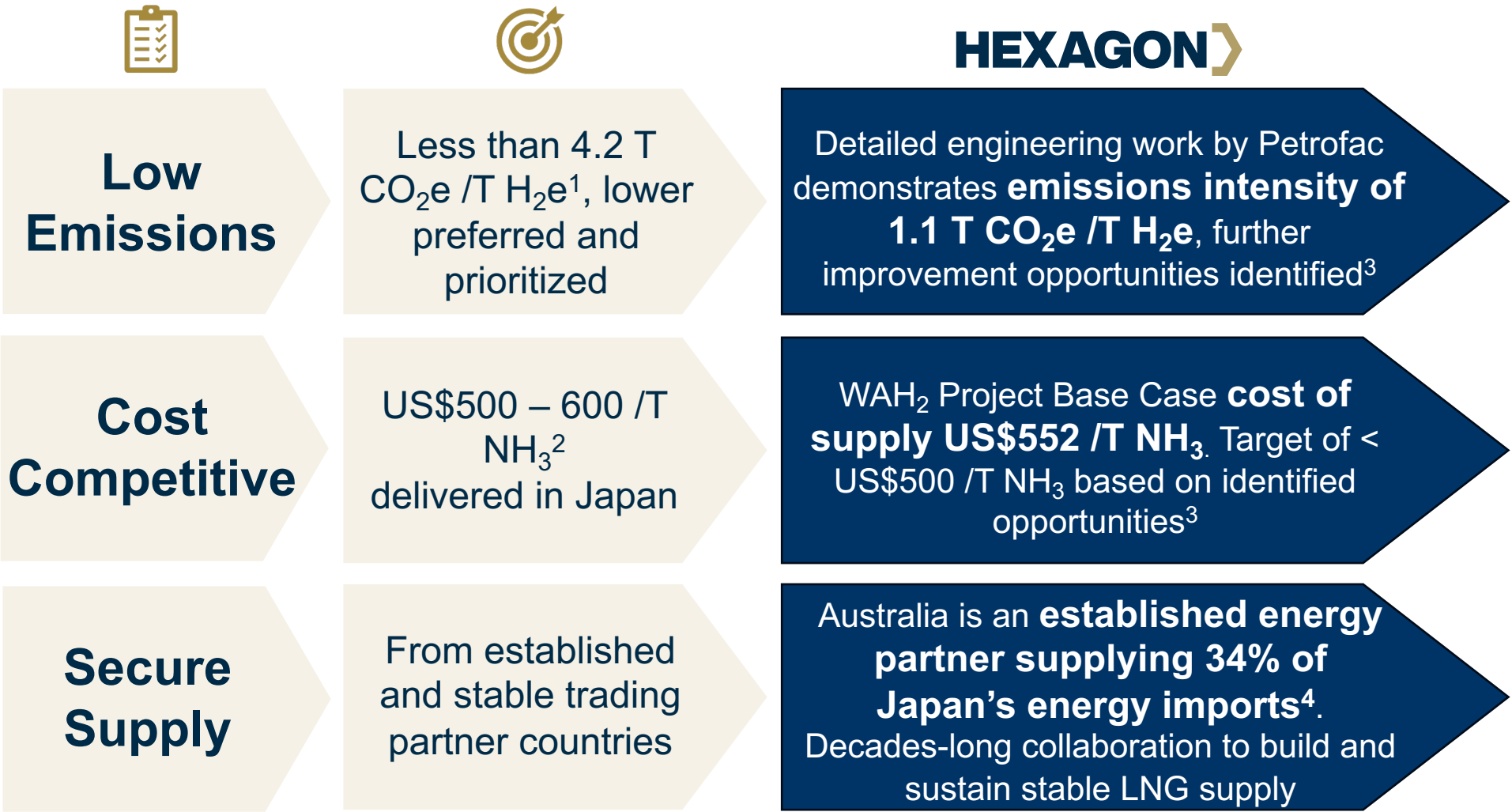
- Applicable to ammonia produced for domestic use and export
- Applicable based on emissions intensity
- Applies to various production methods

Japan's criteria for clean ammonia

Australia well-placed, Hexagon best-placed

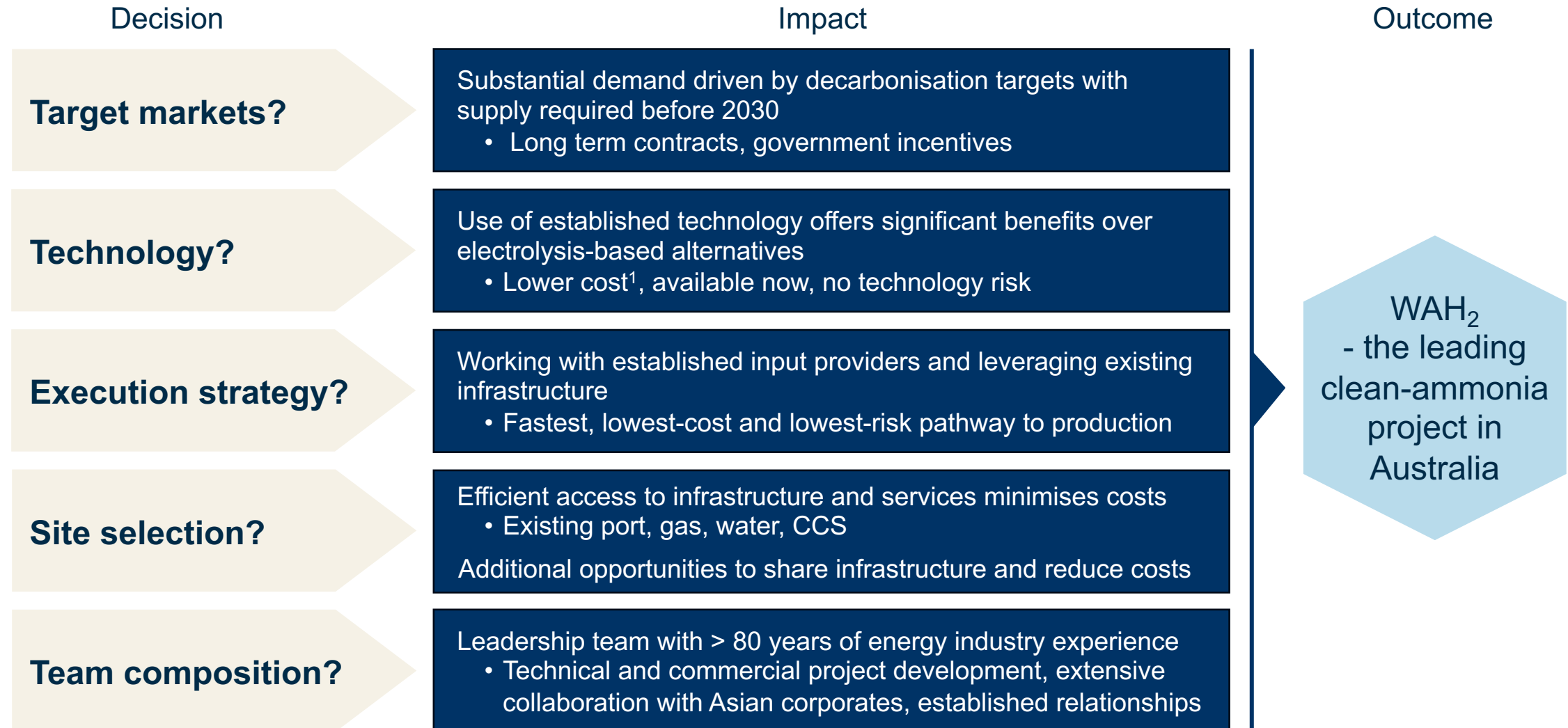
Japan has specified key criteria for potential suppliers to meet its future energy needs.

Hexagon meets or exceeds all the criteria and is regarded by many potential customers as the best-placed Australian project.



Project design drives competitive advantage

Hexagon's decisions have positioned WAH₂ as Australia's leading clean-ammonia project



Positive macro-environment, evolving as expected

Planets align for WAH₂, with an increasing desire for credible supply of clean energy

There is an increasing need for clean energy as 2030 approaches.

Federal, State and Overseas governments' objectives support development.

While increasing costs of competing technologies favour WAH₂ as an early mover.



Increasing cost of competing, electrolysis-based, technologies¹



Increasingly technology-agnostic approach of customers and regulators, with focus on emissions intensity²



Gas reforming with CCS increasingly seen as the most credible clean-ammonia solution available at scale before 2030³



Alignment with Government objectives

Australia

- Leading clean energy exporter
- Decarbonising iron ore exports

WA

- Establishing the Pilbara Hydrogen Hub
- New industry, new jobs
- Domestic gas use

Japan

- COP Decarbonisation commitments
- Clean ammonia import and co-firing targets

WAH₂ Low- emissions Ammonia Project

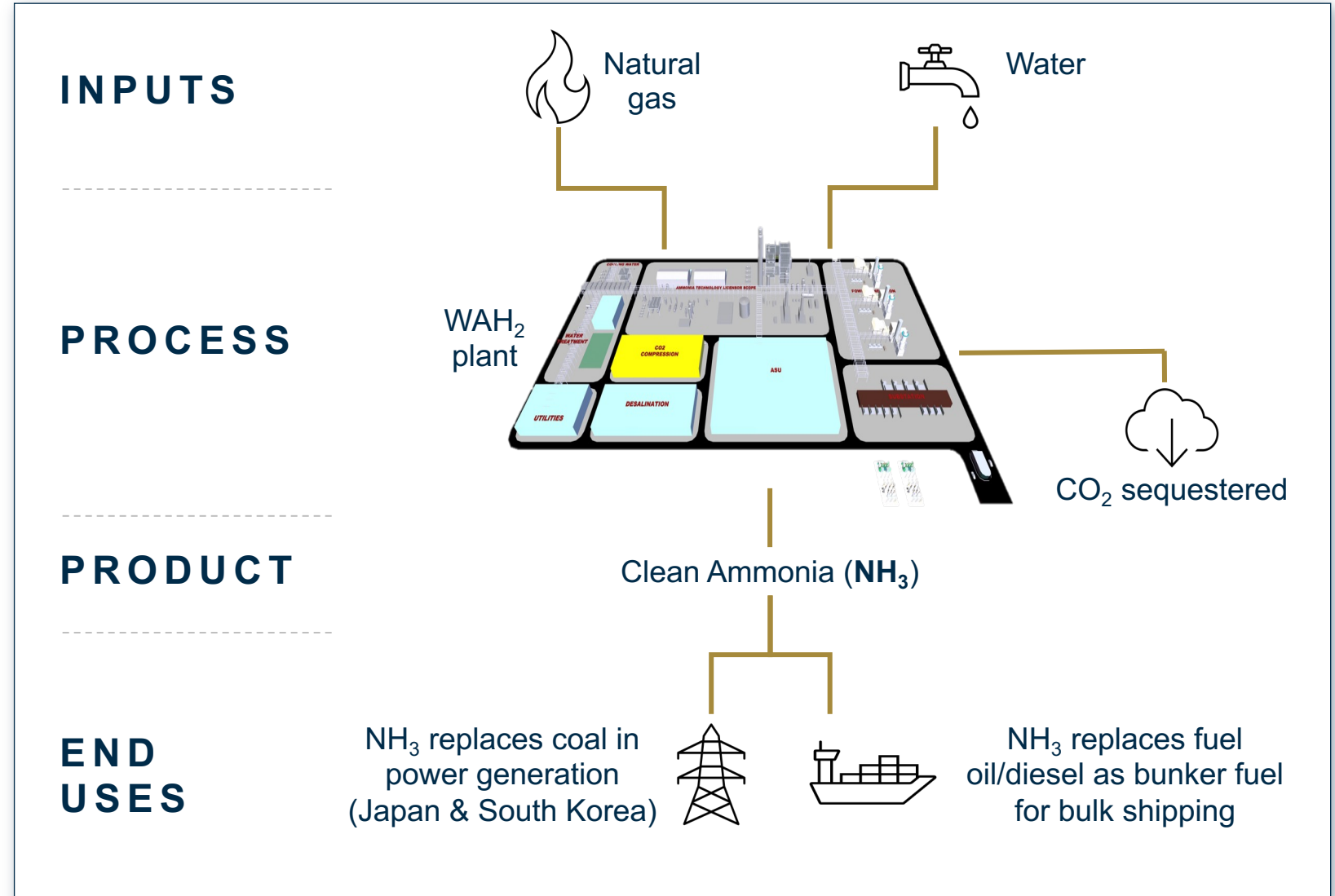
Project overview - Hexagon's WAH₂ export plant

Low-emissions, cost competitive ammonia

The WAH₂ Project uses established technology to decarbonise gas and produce clean ammonia which can be used in existing infrastructure to replace coal for power generation, and to replace hydrocarbon marine fuels.

Effectively decarbonising Australian gas to help the energy transition.

Material volumes (600 kTPA) targeted to be online before 2030.



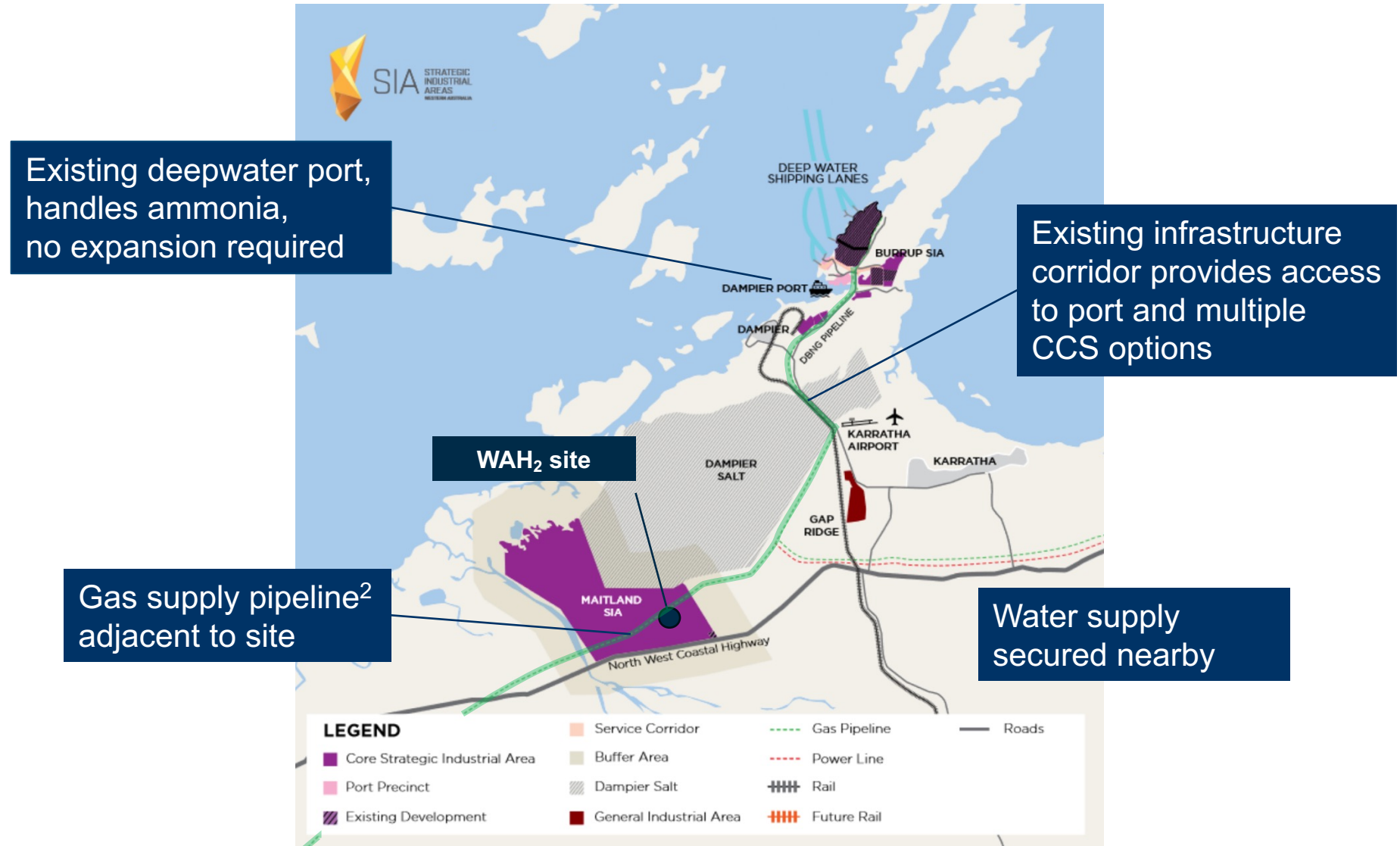
Project site – in optimal location of Maitland SIA¹

Proximity enables lower cost access to required services and infrastructure

Hexagon's site is a key asset, providing access to existing infrastructure that is located nearby.

With significant additional opportunities to share infrastructure with the proponents of other projects.

Together, underpinning the competitiveness of the WAH₂ Project.



Note: (1) Strategic Industrial Area; (2) Dampier to Bunbury Natural Gas Pipeline
Source: Image - DevelopmentWA

Partnering with experienced industry players

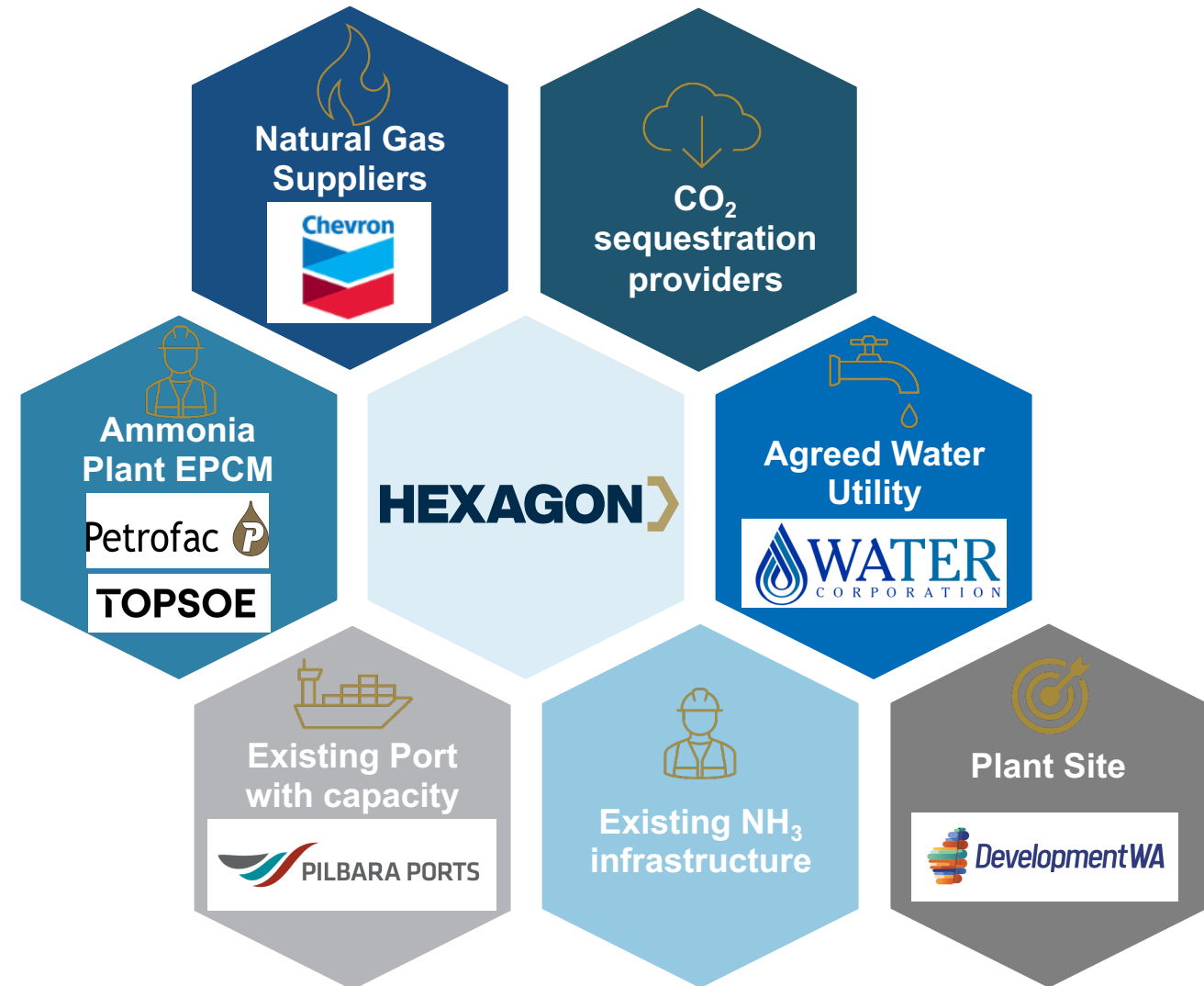
Hexagon is seeking the fastest, lowest-cost, lowest-risk pathway to production

Before initiating WAH_2 , Hexagon identified how to deliver the lowest-cost, lowest-risk and fastest path to market:

1. Securing a site in the Maitland Strategic Industrial Area;
2. Working with established input providers; and
3. Leveraging existing infrastructure wherever possible.

This strategy is proving successful.

In this way a small company can build out a large project



WAH₂ Project is best-placed

Early mover project with competitive advantages related to tech. choice and secured site

Hexagon's WAH₂ Project is considered the most advanced clean ammonia export project in Australia.

This is due to its competitive cost of production and ability to supply before 2030.

Each reflect Hexagon's choice of technology and location.

140+

Australian Hydrogen Projects More than 140 hydrogen-related projects have been announced in Australia

30

Low-emissions Ammonia Of these, only 30 are targeting low-emissions ammonia as the product

23

Majority Electrolysis-based with challenges proving technology at scale, supply chain constraints, cost of supply

5

Based on gas reforming with CCS¹ Others use coal, with emissions challenges; or biomass, unproven at scale

1

WAH₂ is Unique The only proposed gas-based project with access to an existing deep-water port and multiple, mature CCS projects nearby

Project development

Momentum building towards FEED-entry, planned for end 2024

Hexagon has already secured many of the key foundations of the project.

The recent agreement on gas supply is expected to be a catalyst for other key negotiations to progress to agreements in the near term.

In turn, these agreements would confirm economics and accelerate offtake and equity participation discussions.

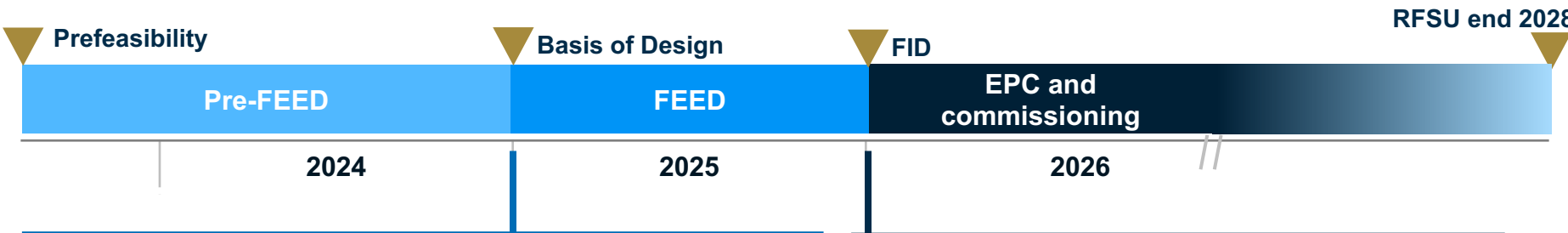
Project Site	- Option to Lease agreed in-principle with DevelopmentWA - Baseline surveys suggest no significant issues²	✓
Plant	Design basis set for core process, ongoing emissions optimisation	✓
Water supply	- Key Terms Agreement³ executed with Water Corp. - Desalination plant and associated pipelines deleted from base case	✓
Gas supply	Indication of Supply⁴ agreed with Chevron for 60% of gas, balance pending ongoing confidential discussions with other suppliers	✓
Port & Infrastructure	- Govt Plan⁵ accommodates future NH₃ and CO₂ pipelines - Govt Hydrogen Hub funding allocated to multi-user NH₃/H₂ pipeline - Availability of existing bulk liquids loading berth confirmed, no expansion required for WAH₂ Phase 1	 ✓
CO₂ pipeline	Confidential discussions with 3rd party pipeline provider, indicative pricing provided working towards MoU	
CCS	Confidential discussions with nearby sequestration projects, indicative pricing provided working towards Term Sheet	
Offtake	- MoU executed with Oceania⁶ to provide ammonia fuel for bulk carriers - Confidential discussions with multiple parties, several considering equity participation in project as well as offtake	✓ 

Note (1) HXG ASX updated announcement 2nd August 2023; (2) Maitland SIA baseline studies provided by DevelopmentWA; (3) WAH2 Project – Water Supply Key Terms Agreement Announcement (ASX: 11 March 2024); (4) Hexagon and Chevron Australia agree on Indication of Gas Supply for WAH₂ Project (ASX 4 November 2024); (5) Maitland to Burrup Corridor Development Plan, as provided by JTSI; (6) WAH2 Project Ammonia Bunkering Memorandum of Understanding (ASX 13 May 2024)

Timeline

Multiple near-term revaluation events as project advances

Hexagon WAH₂ Project Indicative Timeline



Hexagon has already achieved major milestones to establish the project.

Active negotiations are progressing on the next stages of key inputs and partnerships.

As agreements are finalised a flow of announcements is expected which will de-risk WAH₂ economics and, in turn, re-rate Hexagon's valuation.

Achieved already:

- Land – allocated, terms agreed
- Plant – technology selected, core design set
- Gas – Indication of Supply
- Water – Key Terms Agreement
- Port – access confirmed
- Offtake – bunkering MOU

In progress

- Completion of Pre-FEED technical and approvals scope
- Progression of agreements on gas supply, CCS, CO₂ transport, shared infrastructure, offtake

Upcoming

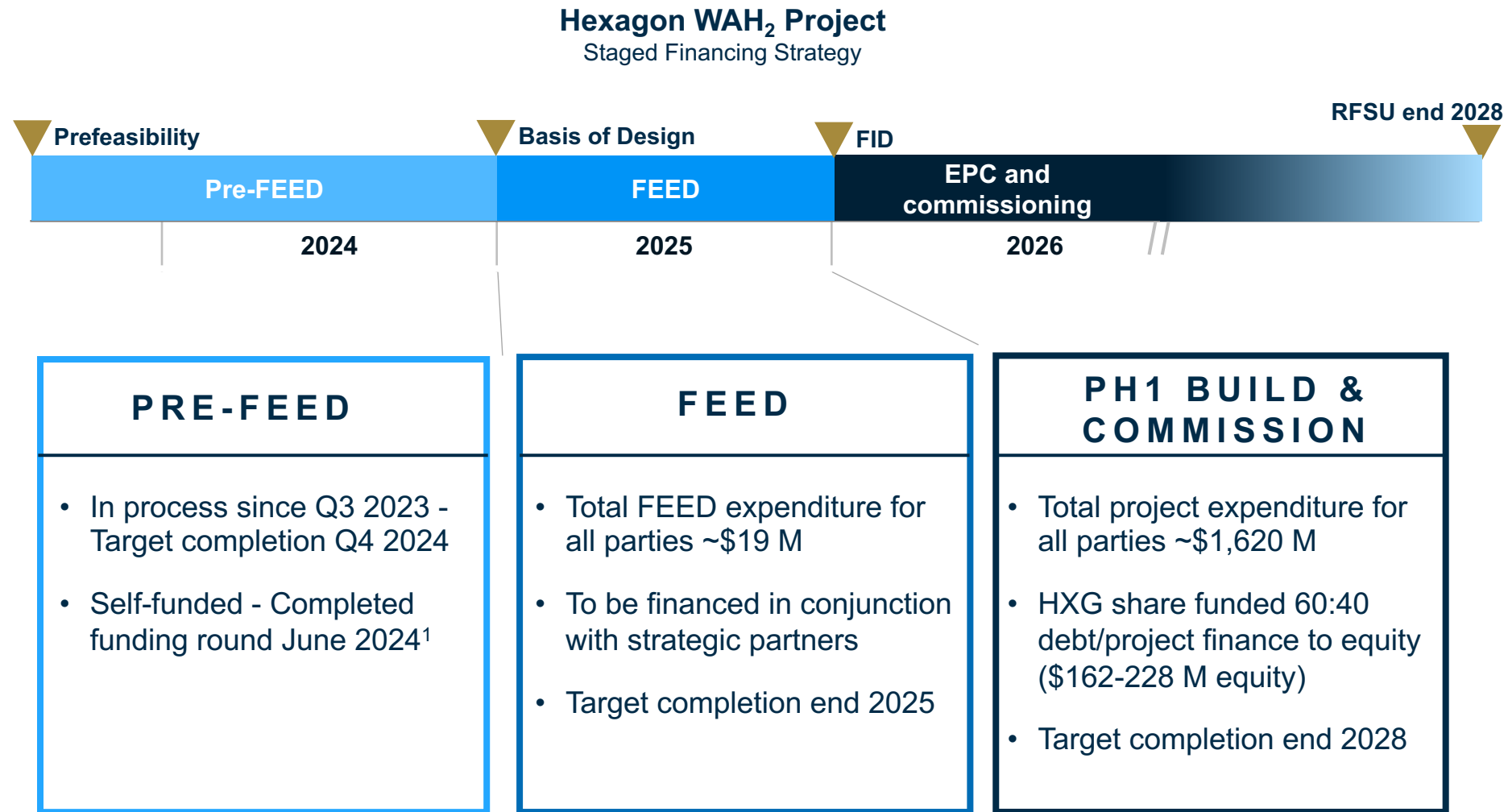
- Corporate repositioning to accelerate industry presence
- Commercial agreements
 - Gas supply, water supply, CCS, CO₂ transport, infrastructure access, offtake
- Completion of FEED technical scope
- Primary regulatory approvals (environment, heritage)
- Project Financing

Funding path to production

Preserving shareholder value by staged approach

WAH₂ will be progressed in combination with equity partners who will represent ~2/3 of project equity from FID forwards.

Management is focused on progressing with minimum dilution of existing shareholders.



Compelling proposition

FEED on WAH₂ the next key milestone, pathway to Project partnerships

Early mover, large market

Hexagon is a front runner in accessing a high growth, government backed market

Advantaged project

Secured project site with access to key existing infrastructure and inputs

Near-term catalysts

Multiple near-term milestones (FEED, partners) expected to be catalysts for revaluation

Attractive returns

Accessing government and subsidized funding would leverage shareholder payoffs

Growth upside

WAH₂ Phase 2 (double production) and additional project cost saving opportunities¹



Fuelling the Future

Low Emissions Ammonia
From Australia to APAC

This announcement has been authorised for release to the ASX
by the Board of Hexagon Energy Materials Ltd.

FOR FURTHER INFORMATION, please contact:

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