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EnergyPathways PLC
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EnergyPathways plc
("EnergyPathways" or the "Company")

MOU for clean hydrogen development facility

EPP signs MOU for Hazer technology to decarbonise energy supply in the UK and mitigate Scope 3 emissions

EnergyPathways (AIM: EPP), an energy transition company, is pleased to announce a strategic engagement with Hazer Group Ltd ("Hazer") to use its proprietary hydrogen production technology - globally licensed through Hazer's strategic alliance with KBR Inc ("KBR"), a global engineering leader and technology solutions provider. This technology will be used to develop a bolt-on clean hydrogen facility that will expand the Company's MESH integrated energy storage project.

Under the MOU, the Company secures the support of Hazer as well as exclusive rights to access Hazer's leading technology within the UK for an initial period of 12 months. Hazer and KBR have formed an exclusive, strategic alliance focused on the licensing and deployment of Hazer's technology in the global ammonia and methanol markets.

MOU

Under the terms of the MOU, Hazer and EnergyPathways (the "Parties") have agreed to negotiate and finalise a definitive binding agreement for concept engineering studies for a Hazer licensed facility with an indicative hydrogen production capacity of 90MW (20,000 tonne per annum). The planned MESH hydrogen facility will enable the Company to supply decarbonised energy in the UK and mitigate Scope 3 emissions. The MESH hydrogen facility will use feedstocks from the MESH energy storage project and other sources in order to produce and store hydrogen for flexible clean power generation as well as ammonia for use in the UK and for export. The Company is also targeting production of up to 60,000 tonnes per annum of high-quality synthetic graphite.

The scope of the studies will be jointly agreed by the Parties and will leverage the work underway with Hazer's strategic alliance partner KBR for the integration of the Hazer technology with the production of low-carbon ammonia. The studies are to be considered a part of a scoping phase to determine the selected technical design to proceed to detailed Front End Engineering and Design ("FEED"). After completion of the concept engineering studies, the Parties will determine whether they wish to proceed into FEED.

Fees, timelines and other terms and conditions for the completion of the concept engineering studies, FEED and technology licensing will be negotiated between the Parties. Under the MOU, Hazer has granted EnergyPathways certain exclusive rights to use Hazer's licensed technology in the UK for an initial period of 12 months.

MESH Hydrogen Production

The 90MW MESH hydrogen facility supports the UK government's re-industrialisation goals by establishing domestic production of clean ammonia and graphite, reducing reliance on imports for critical commodities. The UK Government's energy policy framework supports methane pyrolysis technology as a viable clean-energy pathway recognising its potential to accelerate the decarbonisation of hard-to-abate sectors and the reduction of scope-3 emissions.

Methane pyrolysis is an eligible technology for financial assistance under the Hydrogen Allocation Round. Hazer's methane pyrolysis technology also meets the required technical readiness level and scalability criteria. Additionally, the UK Government has designated graphite as a critical mineral, noting that the country is currently almost completely reliant on Chinese imports.

The UK Government will introduce the Carbon Border Adjustment Mechanism in 2027, adding a tariff to ammonia imports that will affect UK consumers. The Company aims to competitively produce clean ammonia domestically, supporting UK re-industrialisation and reducing reliance on high-emission, fossil fuel-based ammonia imports.

The MESH hydrogen facility is to be included in a request for a Section 35 Direction for a Development Consent Order under the Planning Act 2008.

Ben Clube EnergyPathways' CEO commented:

"EnergyPathways continues to progress innovative solutions to ensure MESH delivers a combination of commercial and sustainable benefits that support the UK's wider energy policies. The MOU and partnership to use Hazer technology is a significant milestone for the Company's plans to provide the UK with affordable, reliable low-carbon energy and energy products including clean ammonia and graphite.

"The Company plans to develop the large-scale MESH clean hydrogen facility that will bolt onto its MESH integrated storage project, enabling the Company to deliver what we think will be the lowest-cost clean hydrogen production in the UK. The MOU and MESH's hydrogen facility will offer a line of sight to the cost-effective decarbonisation pathway for Scope 3 emissions associated with future UK gas development projects. The project will also produce hydrogen at scale that can further decarbonise MESH's flexible and affordable low-carbon power capability.

"We look forward to progressing the studies associated with this MOU through the scoping phase as we assess feasibility."

Hazer's CEO and MD Glenn Corrie said:

"We are delighted to be working with the experienced team at EnergyPathways to integrate Hazer's technology into the strategic MESH infrastructure project to provide the UK with a secure supply of affordable, low carbon energy and products. We welcome the pragmatic approach from the UK Government that recognises and supports various pathways to achieve

We welcome the pragmatic approach from the UK Government that recognises and supports various pathways to achieve the decarbonisation of hard-to-abate sectors, with the inclusion of technology solutions such as Hazer."

About Hazer and KBR

Hazer Group Ltd, listed on the ASX, is recognised as a global leader in methane pyrolysis hydrogen technology. The company specialises in utilising its proprietary hydrogen production process, which converts methane into clean hydrogen and valuable by-products such as graphite, without emitting carbon dioxide. Hazer has established a global strategic alliance for the licensing of its world leading technology with KBR, a renowned leader in ammonia and methanol production, further enhancing the commercial potential and scalability of its technology. Hazer has developed a large number of partnerships with leading energy companies for the potential deployment of its technology across the world.

KBR is a global engineering leader and technology solutions provider. KBR is recognised as the global leader in ammonia and methanol production with 50+% ammonia market share with over 250 licensed ammonia, methanol and hydrogen production plants. KBR is renowned for its expertise in delivering large-scale, technologically advanced projects and plays a significant role in the commercialisation and scaling of innovative technologies. Through its global strategic alliance with Hazer, KBR supports the deployment of Hazer's methane pyrolysis technology worldwide, further expanding its influence in the clean hydrogen sector and supporting energy transition initiatives.

About MESH

MESH is a new large scale energy storage facility that is expected to provide a secure and dependable supply of natural gas and clean hydrogen and low carbon flexible power for the UK market for over 25 years. MESH is an integrated energy system solution. It is electrifying and integrating existing infrastructure, connecting gas storage, hydrogen storage, and compressed air storage technologies with offshore wind and decarbonised power generation to establish a new major decarbonised energy hub for the UK.

The MESH system is designed to harness curtailed offshore wind power in an offshore LDES salt cavern storage as compressed air and hydrogen. Associated with this will be large scale natural gas storage in offshore gas field reservoirs. During periods of low renewable energy availability, stored energy resources will be utilised as follows: compressed natural gas will generate electricity via a gas turbine; compressed air will be expanded through a turbine to produce power; and in the future, hydrogen will be used in a hydrogen-compatible gas turbine or fuel cell to generate electricity.

This integrated system is expected to provide low- to zero-carbon dispatchable electricity to the grid, enhancing energy security and flexibility. Emissions can also be potentially captured and stored in nearby CCS reservoirs. Additionally, the stored hydrogen can be supplied to the UK's emerging Project Union hydrogen network, contributing to emissions reduction across the broader UK energy system.

MESH is expected to be the UK's largest integrated energy storage facility combining natural gas, compressed air and hydrogen storage. It will be able to store up to 20 TWh of energy. The MESH project is intended to deliver on the Government's 2030 Clean Power timeline and will ensure a reliable and secure supply of energy for the UK. MESH has been designed as a fully decarbonised and electrified zero emission facility that is to be powered by the renewable wind farms of the UK East Irish Sea region. EnergyPathways aims to play its role in supporting the Government in accelerating the UK's energy transition.

Investor Engagement with EnergyPathways
Engage with us by asking questions, watching video summaries and seeing what other shareholders have to say. Navigate to our Interactive Investor website here: https://energypathways.uk/link/mPq5KP

Enquiries

Investor questions on this announcement We encourage all investors to share questions on this announcement via our investor hub	https://energypathways.uk/announcements
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and granting of prospecting rights, uncertainties regarding the timing and granting of regulatory and other third party consents and approvals, uncertainties regarding the Company's or any third party's ability to execute and implement future plans, and the occurrence of unexpected events.

Actual results achieved may vary from the information provided herein as a result of numerous known and unknown risks and uncertainties and other factors.

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