

ASX Announcement | 29 March 2021

Ebony Energy Update

Finalisation of the Ebony Energy Acquisition

The Board of Hexagon Energy Materials Limited (ASX: “**HXG**”, “**Hexagon**” or the “**Company**”) is delighted to confirm that the acquisition of Ebony Energy (“**Ebony**”), owners of the Pedirka Blue Hydrogen project in the Northern Territory, is now unconditional and Hexagon has issued Hexagon shares in consideration for greater than 98% of the shares of Ebony to date.

The Offer closed on 26 March 2021 and will not be further extended. Hexagon will now undertake a compulsory acquisition process to deal with the remaining shares of holders who have yet to respond to the Offer.

Holders of Ebony Energy Options have entered into cancellation deeds to effect the cancellation of the Ebony Energy Options for consideration payable in Hexagon Shares valued on a Black Scholes basis assuming the value of a Hexagon Share at \$0.06 per Hexagon Share (being the closing price prior to the trading halt with respect to Hexagon Shares which commenced pre-market opening on 17 December 2020). As such, 39,762 Hexagon Shares will be issued to the holders of the Ebony Energy Options (assuming full conversion and/or cancellation).

Immediate Plans for the Pedirka Project

The Pedirka tenement package covers just under 800km² in the Pedirka basin of the Northern Territory. Now that the acquisition of Ebony Energy is largely complete, Hexagon will undertake a Pre-Feasibility Study which it intends to complete this calendar year.

Hexagon aims to implement the Pedirka Blue Hydrogen Project using a zero CO₂ emission steam reformation process. Hexagon is working with government and private sector bodies to put in place agreements to accelerate the pathway to production of hydrogen to meet the projected growth in demand in the Asia Pacific region.

Hexagon has previously released a corporate presentation on the project and will provide a video overview of the project shortly.

Authorised for release by the Board of Directors.

Charles Whitfield

Chairman

ENDS

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