



22 August 2023

ASX Limited
Level 10
20 Bridge Street
Sydney, NSW 2000

BPH BOLSTERS INVESTMENT IN CLEAN HYDROGEN TECHNOLOGIES CORPORATION AMIDST RISING GLOBAL DEMAND FOR CLEAN HYDROGEN

- **Funding enables BPH and investee Advent Energy to move to 17.5% interest in Clean Hydrogen Technologies**
- **Clean hydrogen is being targeted by governments worldwide as a cleaner replacement for diesel fuel used by trucks and ships¹**
- **The European Union and USA have announced tens of billions of dollars in investments in 2023, with both regions vying to become green energy superpowers²**

As advised to ASX on 24 May 2022 BPH Energy Ltd (**BPH** or **Company**) (ASX: BPH) announced that, subject to shareholder approval, it intended to pursue an investment in a hydrogen technology company, Clean Hydrogen Technologies Corporation (**Clean Hydrogen** or **Vendor**). Shareholder approval for this investment was obtained on 21 June 2022.

On 27 April 2023 BPH advised to ASX further funding agreements for US \$500,000 as detailed below.

A further amount of US \$250,000 has now been advanced to Clean Hydrogen Technologies to enable BPH and Advent to move to a 17.5% interest in Clean Hydrogen Technologies.

Term Sheet

The Company and its 36.1% (direct interest) investee company Advent Energy Limited (**Advent**, and together with the Company the **Purchaser**) entered into a binding term sheet (**Term Sheet**) with Clean Hydrogen Technologies Corporation (**Clean Hydrogen**) pursuant to which the Purchasers agreed to subscribe for fully paid shares in Clean Hydrogen (**Subscription Shares**), representing a total of 10% of the total issued share capital of Clean Hydrogen after the issue of the Subscription Shares (**Subscription Shares Tranche 1**),

¹ Source: “Biden commits \$1 billion to creating clean hydrogen sales” (The Houston Chronicle, 2023), (Biden commits \$1 billion to creating clean hydrogen sales | Spectra (mhi.com))

² Politico, “Biden’s hydrogen bombshell leaves Europe in the dust” (5 July 2023) < ‘Biden’s hydrogen bombshell leaves Europe in the dust - POLITICO’>.

subsequent to which 8% of the Subscription Shares Tranche 1 were issued to BPH and the remaining 2% issued to Advent.

As advised to ASX on 21 April 2023, the Purchaser had a right of first refusal (**ROFR**) to subscribe for additional Subscription Shares representing an additional 10% (**Subscription Shares Tranche 2**) to the Purchaser and on the same terms and conditions as the Subscription Shares Tranche 1. On 16 April 2023 the Borrower delivered a written ROFR notice to the Purchasers granting them the right to acquire an additional 10%.

Clean Hydrogen has made requests for additional funding from the Purchaser. Advent lent Clean Carbon US\$250,000 in March 2023 in accordance with an unsecured loan agreement and has made a further US\$250,000 unsecured loan to Clean Carbon in accordance with a second loan agreement entered into in April 2023, both loans being made on normal commercial terms. The loans have been funded by monies loaned by the Company to Advent.

The April loan agreement provides for a further unsecured loan of US\$500,000 to be made to the Borrower, being (i) US\$250,000 on the request of the Borrower (ii) US\$250,000 upon request by the Borrower, but not before 1 July 2023, and subject always to the Lender's absolute discretion.

At the request of the borrower a further US \$250,000 has now been made to Clean Hydrogen Technologies. The loan is on normal commercial terms and has been funded by monies loaned by the Company to Advent.

Clean Hydrogen will allocate and issue up to 1,000 Options to Advent, with an exercise price of USD\$3,000 each, and exercisable immediately, with the option for conversion into shares in Clean Hydrogen expiring ten years from the date of issue (**Clean Hydrogen Options**). An advance of every US\$250,000 of the US\$1,000,000 loan facility will equate to 250 Clean Hydrogen Options allocated to Advent or, from time to time, BPH.

The Purchaser and Clean Hydrogen have agreed to enter into a separate loan conversion agreement which will enable the conversion of the loan amount into the relevant Subscription Shares Tranche 2, representing the Purchaser's further 10% interest in Clean Hydrogen.

Background on Clean Hydrogen Technologies Corporation

Clean Hydrogen Technologies is a USA Delaware registered company with technology to produce clean hydrogen. They are currently building a system for commercial use, using their own unique catalysts and bespoke engineering processes, to generate clean hydrogen and solid carbon which has many uses including conductive carbon used to manufacture batteries. The production of the two valuable products comes from processing natural gas with no CO2 emissions.

Their capabilities will help their customers accelerate their path to CO2 neutral, using an abundant natural resource, natural gas, with comprehensive existing infrastructure and supply chains in place. Their system has a modular based system design for supply to large scale

solutions to meet upstream natural gas processing or downstream small scale needs to support hydrogen hubs for transport.

As part of their ongoing innovation and development they have filed 3 comprehensive patents in the USA and plan to continue to file further patents over the coming months. These patents reflect their capabilities at producing clean hydrogen and conductive carbon black with no CO2 emissions.

Clean Hydrogen Technologies are making the US market a key focus of their development plans.

In June 2023, the Biden-Harris administration released USA's first-ever National Clean Hydrogen Strategy and Roadmap to build a clean energy future and accelerate the American manufacturing boom³.

Hydrogen demand in the United States is projected to reach up to 73 million metric tons by 2050 largely driven by its use as transportation fuel⁴.

Authorised for release by

David Breeze
Executive Director

³ Source: "*Biden commits \$1 billion to creating clean hydrogen sales*" (The Houston Chronicle, 2023), (Biden commits \$1 billion to creating clean hydrogen sales | Spectra (mhi.com))

⁴ Published by Statista Research Department, Jun 21, 2022, <https://www.statista.com/statistics/1179243/us-hydrogen-demand->.

