

PAR PROJECT UPDATE – JULY 2022

Dear Investor,

Calendar 2022 has been a busy year for Port Anthony Renewables (PAR) as we continue to make good progress with the development a green energy and hydrogen hub, which is ideally located on 600 acres of prime industrial land, adjacent to Port Anthony, in the Gippsland region of South-Eastern Australia.

In a very significant development for renewable energy projects, the Australian Government in April this year announced the Gippsland area as priority for Australia's first offshore wind assessment. The result of this will most likely see Australia's first-ever offshore wind project developed in the Gippsland region. There are currently four offshore wind proposals off the Gippsland coast.

The change in the Federal legislation has led to a dramatic increase in proposed renewable energy developments in the Gippsland region. At the end of calendar 2021, there were 2800MW of proposed green renewable energy projects. At the end of June 2022, there were 10,800MW of proposed green renewable energy projects in the region.

The coming boom in renewable energy investment in the region bodes well for PAR being strategically located with access to one of the only industrial port facilities in Gippsland, Victoria.

PAR renewable energy development activities

During the first half of calendar 2022, PAR has been focused on wind development opportunities that will form part of our green energy hub. These opportunities consist of both the development of our own wind project as well as evaluating opportunities with suitable surrounding wind projects and pleasingly, good progress has been made on both fronts.

Wind developments

PAR Wind Project

Early in 2022, PAR engaged Exceed Energy Australia (EEAPL) to assist with the development of its own 48MW wind farm onsite. EEAPL has been undertaking certain early-stage development activities required for renewable energy generation projects, such as wind monitoring and data collection.

In a development milestone, PAR completed the installation of a Fulcrum3D SODAR (Sonic Detection and Ranging) weather monitoring system at its project site and commenced the first round of wind monitoring and data collection for a planned wind farm which will form part of the Hydrogen project. The data collected from the SODAR will support PAR's Feasibility work and allow fine tuning of the final design of power infrastructure.

The SODAR system will analyse local winds at different heights, enabling the final design of wind turbines to be optimised for the local conditions and planned production rates of zero carbon green hydrogen and ammonia. Historical data and adjacent activities show that the site is exceptionally high in wind resources, making it an ideal location to produce certified green hydrogen and ammonia with zero carbon.

Gelliondale Wind Farm

In addition to the development of PAR's own windfarm onsite, the Company has also signed an agreement with Synergy Wind Pty Ltd (SWPL) in June to purchase the development rights associated with an adjacent wind development project known as the Gelliondale Wind Farm (GWF).

The GWF is 80MW in size and located ~13km from the PAR project site. GWF will be developed in addition to PAR's 48MW wind farm, providing PAR with 128MW of its own "behind the meter" wind energy for its own needs, as well as income from feeding the electricity grid via an agreement with Ausnet Services. Ausnet Services have confirmed an 80MW line capacity which will enable PAR to earn revenue from feeding the electricity grid and use the produced power for Hydrogen production as the project develops further.

The option for PAR to purchase the development rights for the GWF, is subject to the developer, SWPL, achieving developmental approvals for the project, thus commercially de-risking the wind farm for PAR.

The GWF has the potential to provide a significant portion of the clean energy required by PAR for the initial stages of its green energy and hydrogen hub project.

The right partners

As PAR's green energy and hydrogen project development continues to progress, the Company is engaging with leading partners and consultants to ensure best practices are adopted. During the previous six months, KPMG has been appointed as PAR's auditors and Minter Ellison have been appointed for legal related services.

Moving forward

With development activities ramping up in Gippsland, the Company is focused on delivering the following key areas;

- Submitting development and regulatory approvals associated with PAR's 48MW wind farm,
- Working with ARUP on a Hydrogen pipeline tie-in study to help determine tie-in points for future hydrogen blending opportunities in the South East Australian gas network, and
- Advancing studies and works associated with preparing the Company's prospectus for an ASX listing, targeting calendar Q4 2022.

I would like to take this opportunity to thank shareholders for your continued support and look forward to updating you on our progress.

Yours sincerely,

Benjamin Anthony, Managing Director

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