



3 February 2023

NeoGreen Hydrogen Corp.

75MW Power Purchase Agreement Signed in Paraguay

NeoGreen Hydrogen Corp. (“NeoGreen” or the “Company”), a global integrated Green Hydrogen developer dedicated to the production of green fuels, is pleased to announce the recent signing of a long term 75MW baseload Power Purchase Agreement (“PPA”) with the ANDE, the national electricity company of Paraguay.

Overview:

- The Project will be built in Tres Fronteras, an area where Brazil, Paraguay and Argentina converge, close to the Iguazu and Parana rivers.
- The project will produce green fertiliser for supply to both the domestic market and regional customers by river export.
- A PPA has been agreed with the ANDE at the lowest commercial rate, enabling the production of affordable green ammonia using electricity produced from Itaipú Hydroelectric Dam.
- Initial design concept is estimated to produce 10,000 MT per year of green hydrogen that will be converted into ammonium nitrate for use as part of NPK fertiliser blends.
- Production planned for the domestic market will provide Paraguay with price stability and import substitution for its significant agricultural sector.
- NeoGreen’s project will provide an estimated US\$400 million of inward investment and generate local employment in both the construction and operational phases.
- Final Investment Decision (“FID”) for the Project is expected by Q4 2023 and green hydrogen and ammonia production is targeted for mid 2026.

Since signing the Cooperation Agreement with the ANDE in November 2021, NeoGreen has worked with its consortium partners and with Mott MacDonald, the global engineering, management, and development consultancy, to finalize a number of studies. NeoGreen now looks forward to moving the Tres Fronteras project towards Front End Engineering and Design (“FEED”) stages.

NeoGreen has been cooperating with Atria Logistica, the largest river and port logistics company in the Paraguay-Paraná waterway, and NeoGreen plans to build its industrial plant in close proximity to Atria’s Tres Fronteras port, an ideal location to supply much of Paraguay’s main soya producing areas. Additionally, the newly constructed bridge to Brazil is adjacent to their facility, which will further facilitate access to large Brazilian markets. The access to this port facility also opens up a number of regional export opportunities for NeoGreen in the future and the port is the intended location of a new fertilizer mixing plant.

Green ammonia, which can be made from green hydrogen via the Haber-Bosch process, is expected to play a key role in decarbonising a number of heavy industries including agriculture. According to an Ammonia Market Report¹, today’s global ammonia market is estimated to be worth more than \$66 billion and is expected to grow to more than \$82 billion by 2026. The biggest industrial consumer of ammonia is the fertilizer industry and to meet global climate targets, all the world’s production would have to be converted to green ammonia by 2050.

Following on from the initial Consortium Agreement signed in 2021 with Tocsá SA, a leading local engineering and construction company, to assist with the studies, NeoGreen has since evolved its partnership with Tocsá to cover the development and management of the project. Technical support for the project will be provided by Siemens Energy, in accordance with an agreement signed in September 2022.

¹ <https://www.globenewswire.com/news-release/2022/09/30/2526273/0/en/Ammonia-Global-Market-Report-2022.html>

NeoGreen's Tres Fronteras project is one of a pipeline of projects the Company is targeting around the world. In November 2022, NeoGreen announced details regarding its project in the Port of Sines in Portugal, utilising renewable power to produce green hydrogen and e-methanol for export to Western European markets.

Miles Lewis, President of NeoGreen Paraguay, commented:

"I would like to thank the team at the ANDE for all their assistance during the initial planning phase of this project. We now consider that we have a thorough understanding of the challenges and opportunities that Paraguay provides as they seek to fulfil their climate goals and, having assembled a consortium of partners, the signing of this PPA will allow us to accelerate development with a view to this initial project entering into production in early 2026. Simultaneously, it is our group's intention to progress further technical studies aimed at substantially increasing capacity, as detailed in our initial Cooperation Agreement. We look forward to working with all our partners in delivering this exciting project."

Santiago Bautista Herman, Business Development Manager for South Latam at Siemens Energy commented:

"The challenges posed around the energy transition can only be successfully faced through alliances like this, which allow us to collaboratively develop innovative solutions to pave the way towards a low carbon energy ecosystem."

Ing. Felix Sosa, President of the ANDE commented:

"This agreement forms another important step in Paraguay's green hydrogen roadmap and we look forward to working with NeoGreen and their partners to maximise the efficient use of our renewable energy resources within this emerging industry".

For any further information, please visit www.neogreenhydrogen.com or contact:

NeoGreen Hydrogen
Rory Harding, Corporate Development

via Tavistock

Tavistock (Financial PR)
Nick Elwes
Rebecca Hislaire
Charlie Baister

neogreen@tavistock.co.uk

NOTES TO EDITORS

ABOUT NEOGREEN HYDROGEN

NeoGreen Hydrogen Corp. is an integrated Green Hydrogen developer utilising both new and existing renewable energy resources (solar, wind and hydroelectric generation) in the production of Green Hydrogen and derivative products from its 6 GW global portfolio of projects. NeoGreen finances and undertakes early-stage development works and bankable feasibility studies and arranges technical partners, project finance and product offtake through to construction and operational commencement.