

23 June 2022

ASX ANNOUNCEMENT (ASX:NRZ)

## DL E&C Co Ltd (Daelim) takes 9% strategic investment in NeuRizer

NeuRizer Ltd (“NRZ”, “NeuRizer” or “the Company”) is pleased to announce it has entered into an agreement for a private share placement to its international top tier construction partner DL E&C Co. Ltd (“DL E&C”). The share placement (“the Placement”) will raise US\$10 million (approximately A\$14.4 million, to be calculated using the RBA exchange rate at settlement) at 15 cents per share. Due to Korean regulatory requirements the settlement date will be the 6<sup>th</sup> of July 2022 and no brokerage fees shall apply.

Following this significant capital investment DL E&C, based on most recent published exchange rates (RBA), will hold approximately 9.1% of the Company’s issued capital. DL E&C will be a substantial shareholder with a shareholding which is below both the takeover and FIRB thresholds. Funds from the capital raising will be used for working capital and project costs leading into the Final Investment Decision for the NeuRizer Urea Project (“NRUP” or “the Project”) expected to be reached early next year.

### NRZ Managing Director Phil Staveley commented:

*“We are pleased to extend the Company’s relationship with a company like DL E&C and welcome them as a key long term shareholder in NeuRizer. DL E&C is a critical project partner in terms of scoping and development and DL E&C’s eagerness to participate in the significant value created by NeuRizer upon construction completion of the NeuRizer Urea Project is a welcome commitment from our highly valued project partner. This is a long term value investment and not one with a short term time horizon. We, at NeuRizer, welcome DL E&C’s long term commitment to the project and to the company.”*

### Significance of the Placement

DL E&C recognise that the NRUP is not only a project of national significance for Australia but is a major project in the context of the international markets for urea production and distribution. This placement to DL E&C brings further international awareness to the NRUP. The Project’s vast feedstock reserves, low cost of production, technology demonstration and capability, as well as strong headwinds for local urea manufacture and distribution, all underpin this third-party validation and investment by a major international corporation.

Since DL E&C became NeuRizer's Engineering, Procurement, Construction, Commissioning partner (refer ASX announcement 1 July 2021) for the Project, it has:

1. Facilitated a letter of support with a major financial institution in South Korea to provide 70% of the capital requirements to construct the project, including negotiation of commercial terms following a positive Final Investment Decision (refer ASX announcement 1 July 2021);
2. Signed a Heads of Agreement (to be concluded by June 30, 2022) for 500,000 tonnes per annum offtake of urea for five years (refer ASX announcement 30 November 2021);
3. Signed an agreement with NeuRizer to provide Carbon Capture and Storage (CCS) technology for the Project (refer ASX announcement 4 April 2022);
4. Assisted NeuRizer to formalise partnerships with other international top firms to join DL E&C in the planning and design phase of the Project. These firms are:
  - a. Kellogg Brown and Root (KBR) as ammonia licensor (refer ASX announcement 7 April 2022);
  - b. Stamicarbon as urea technology licensor (refer ASX announcement 13 April 2022);
5. With KBR and Stamicarbon, progressed the Front-End Engineering and Design (FEED) phase of the Project.

This is just the latest example of the growing partnership between DL E&C and NeuRizer. A partnership referred to during the re-branding of NeuRizer in March 2022, by the Global Chief Executive Officer of DL E&C, Mr Changmin Ma. Mr Ma referred publicly to his company's relationship with NeuRizer. He stated:

- "It is a great pleasure to be attending this milestone "re-branding" event as your partner, which is promising landmark for us to introduce our business philosophy of creating value in Australia. This business will produce Australian made urea fertilizer manufacturing facilities with eco-friendly carbon capture technology and as well sequestration. I am sure that this great new vision would be recognized as solution for global food problem and carbon reduction, contributing to people lives and environment as well and we are proud to be part of the first integrated project in the world to cover the full cycle."

"I am certain that our company could be a trustworthy companion to contribute to Australian market, creating thousands of jobs with environmental values by our proven commercial CCUS solution."

- Urea Offtake Agreement with NRZ - Mr Ma spoke of the substantial progress that has been made since DL E&C's trading subsidiary, Daelim, entered a Heads of Agreement (HoA) with NRZ in November 2021, regarding the purchase of 500,000 tonnes per annum for 5 years of NRUP urea.

"We are sure that ... the high-quality carbon neutral Australian made urea products could be introduced to the global market."

- International infrastructure experience - Mr Ma referenced DL E&C's extensive experience in constructing and commissioning large scale ammonia and urea facilities, similar to the NRUP.

*“In addition, not just as an EPC contractor, but as a total solution providing developer, we will create further value to the project with support of our DL group participation.”*

- Carbon Capture and Storage experience - DL E&C has recently demonstrated what is perhaps a world first achievement in delivering ‘carbon negativity’ (i.e. removing more carbon dioxide from the atmosphere than produced), through a recent project in South Korea by combining bioenergy with carbon capture and utilisation, or BECCU, with hopes of delivering this technology to Australia.

*“... we are proud to confirm that we have entered into a MOU with Australian DriveTrain, an affiliate company of Engenco, to diversify further business presence of CCUS technology in Australia.”*

- DL E&C presence in Australia - DL E&C has successfully completed many infrastructure projects in more than forty countries worldwide since 1966. DL E&C has stated its intention of increasing its project influence in Australia, using the NRUP as its first project.

*The NRZ Board has authorised this announcement for release to the ASX.*

## **Further Information**

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## About DL E&C Co. Ltd.

Incorporated in 1939, DL E&C Co. Ltd. is a parent company of the DL Group, which consists of thirteen affiliates. As a leader in the construction sectors in Korea, DL E&C Co. Ltd. provides a wide variety of products and services.

In its early history DL E&C Co. Ltd. made major contributions to Korean landmarks and iconic buildings including Korea's artery road, Gyeongbu Expressway, Seoul Metropolitan Subway, POSCO, National Assembly Building, Seoul Olympic Main Stadium, Gwanghwamun Square and Yi Sun-Sin Bridge.

Since its first overseas project in 1966, DL E&C Co. Ltd. has played a pioneering role in penetrating overseas markets. Beyond the traditional roles of design and construction, DL E&C Co. Ltd. is including project exploration, planning, investment, financing, construction, and operation in its portfolio and building a foundation to grow as a leading developer.

Currently, DL E&C Co. Ltd. is undertaking projects in global markets including the U.S., Saudi Arabia, Kuwait, China, Vietnam, Singapore, and Brunei. Refer DL E&C Co. Ltd. website for further information: <http://www.dlenc.co.kr/eng>

## About NeuRizer Ltd

NeuRizer (NRZ) is the company responsible for progressing the NeuRizer Urea Project (NRUP). NRUP is a nationally significant project that will deliver low-cost, high-quality nitrogen-based fertiliser ensuring a secure supply for local and export agriculture markets. Located in South Australia, 550 kilometres north of Adelaide, the NRUP will initially produce 1Mtpa of urea fertiliser with potential to increase to 2Mtpa.

NRZ is a certified carbon neutral organisation having been awarded Climate Active certification in March 2022 and is a signatory to the United Nations Global Compact. The NRUP is carbon neutral by design, and the decarbonisation pathway for the NRUP is embedded in the Front-End Engineering and Design (FEED) process to ensure that the NRUP achieves zero carbon operations from first operations in 2025.

The NRUP will significantly increase Australia's sovereign manufacturing capability for fertiliser supporting Australian agricultural food production. The NRUP will strengthen supply chain resilience that will benefit Australian farmers and, to a lesser extent, the industrial sector where urea is used as a supply input (eg. diesel additive (AdBlue), industrial resins, etc.) by reducing the nation's reliance on imports.

The NRUP will be one of the biggest infrastructure projects of its type in Australia, providing long term economic development and employment opportunities (2,250+ construction jobs plus 1,200+ ongoing positions) for the communities of the Upper Spencer Gulf region, northern Flinders Ranges and South Australia.

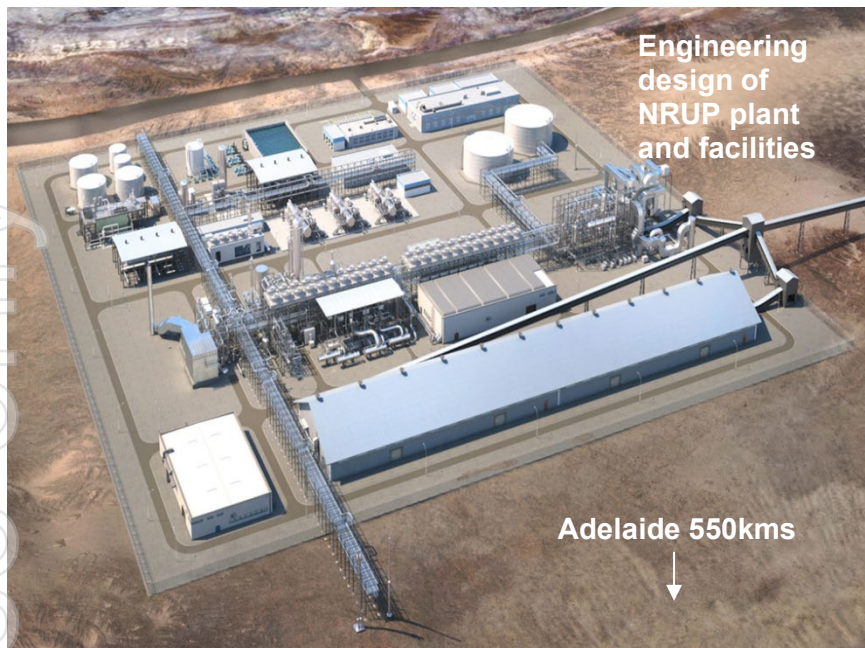
# NeuRizer

TOWARDS A CARBON NEUTRAL WORLD

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The NRUP will be the only fully integrated urea production facility in Australia, with all inputs (gas, power and CO<sub>2</sub>) for low carbon urea production on-site, meaning NRZ will control both supply and price of these major cost inputs, regardless of prevailing market conditions and supply chain dynamics.

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