4 July 2022 **ASX ANNOUNCEMENT (ASX: NRZ)**

$1.5 billion Binding Offtake Agreement signed for 500,000 tonnes per annum

NeuRizer Limited ("NRZ" or "the Company") has signed a binding, long term offtake agreement ("the Agreement") with Daelim Co Ltd ("DL Trading") (a 100% subsidiary of Daelim) for 500,000 tonnes of granular urea per year.

Highlights

- Major milestone with 50% of the initial annual production target now contracted to NeuRizer's long-term strategic partner and significant shareholder for the first five years of operation
- DL Trading will purchase 500,000 tonnes of granular urea per annum from NeuRizer at an index linked price
- Agreement is for a term of an initial five years with an option to extend by mutual agreement
- Contract value of A$1.5 billion based on CRU forecast prices (1)

The Company and DL Trading have signed a binding take or pay offtake agreement for the supply of urea fertiliser. This brings NeuRizer's flagship NeuRizer Urea Project (NRUP) project another step closer to production by underpinning future revenue.

The Company entered into a Heads of Agreement with DL Trading for the offtake in November 2021 and the finalisation of this Agreement further extends the strong relationship NeuRizer has with Daelim whose subsidiary DL E&C was awarded the Engineering, Procurement, Construction and Commissioning (EPCC) contract for NRUP in June 2021.

This take or pay offtake agreement comes shortly after the recently announced agreement for a private share placement to its international top tier construction partner DL E&C Co. Ltd ("DL E&C") where DL E&C took a 9.1% stake in NRZ.

This agreement provides the Company with certainty of revenue that is required for project financing. This is likely to be the only offtake agreement required to secure debt funding for the construction of the project as it is sufficient to cover all costs including finance, however it does not preclude NeuRizer

from entering into further offtake agreements with other parties should this be deemed appropriate.

Key terms of the DL Trading Offtake Take or Pay Agreement

- Contract to take 500,000 tonnes per year;
- The contract is focused purely on the export market;
- The contract is Take or Pay;
- Initial term is for five years;
- Option to extend the contract period by mutual agreement;
- An agreed pricing mechanism based on index linked pricing; and
- The contract value of A$1.5 billion is based on forecast CRU prices [1] (at current prices it would be worth over A$2.8 billion [2]).

(1) CRU is an independent forecast team which publishes the urea commodity price on a quarterly basis covering production, demand and trade as well as global capacity and includes key benchmarks over a 5-year period and long-term forecast that includes a 25-year forecast.

(2) Index Mundi Urea Monthly Price. IndexMundi is a comprehensive data portal gathering data from multiple sources such as Fertilizer Week, Fertilizer International, and the world bank and is based on Indexmundi April/May 2022 datasets.

In addition to the above key terms there are also a number of conditions precedent largely relating to the successful production of urea:

- Commercial Production being 30 consecutive days of continuous production at the rate of 2,650 tonnes per day (plus or minus 10%) has occurred and a taking over certificate is issued by NRZ to DL E&C under the EPCC contract;
- NeuRizer has secured all necessary infrastructure and facilities to enable the shipment of at least 84,000 tonnes product per month;
- If the Board's final investment decision is not to proceed with the project, then the agreement is terminated

NRZ Managing Director Phil Staveley commented:

"The signing of this binding take or pay agreement with DL Trading secures significant revenue for the NRUP. This guarantee to take up 50% of the project's initial yearly production allows both NRZ and Daelim to move confidently towards project construction. A further 50% uncontracted urea supply allows us to remain agile to support domestic demand and take advantage of market pricing. The continued global fertiliser crisis made a compelling case for DL Trading to shore up domestic supply from a reliable and cost controlled source."

NRZ Executive Chairman Justyn Peters commented:

"This agreement with DL Trading sets the company up for success and is a company maker. To finalise an agreement of this magnitude has taken a lot of work from both sides and I am proud of the work of both negotiating teams who have worked tirelessly to achieve this great outcome and I want to take this opportunity to thank them all.

Daelim is the team undertaking the FEED and BFS for NRZ and both the investment by Daelim and now the offtake agreement should give all shareholders complete confidence that they are both progressing well and more importantly positively.

Business needs to be in the right place at the right time. Everything points to NRZ being in the right place at the right time. With international gas prices dramatically increasing, with our only domestic production of urea closing down at the end of this year, with food staples in supermarkets continually running short and food security becoming more of an issue daily, and by NRZ providing domestic urea production we go a long way to solving these issues.

We at NRZ are in the right place at the right time. Our growing relationship with Daelim and their financial commitment simply confirms this. When we started as a company, we stated we had the largest uncontracted gas reserves on the East Coast of Australia. With this agreement that is no longer the case."

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

FORWARD LOOKING STATEMENT:

This announcement contains written forward-looking statements with respect to certain of NeuRizer's plans, current goals and expectations relating to future production, financial conditions, performance, results, strategic initiatives, and objectives which by their nature are forward-looking statements. These involve risk and uncertainty and are subject to factors that could cause actual results to differ materially from those indicated in this announcement.

Some of the factors that could cause actual results or trends to differ materially, include but are not limited to the impact of operational risks, including inadequate or failed internal and external processes, systems and human error or from external events (including cyber-attack), risks associated with arrangements with third parties, including joint ventures, the failure to attract or retain the necessary key personnel; systems errors or regulatory changes, the effect of fluctuations in share price as a result of general market conditions or otherwise, the effect of simplifying operating structure and activities, the effect of a decline in any ratings or recommendations for losses due to defaults by counterparties or restructurings, on the value of investments, changes in interest rates or inflation, the impact of natural and man-made catastrophic events on business activities and results of operations, reliance on our standing among customers, broker-dealers, shareholders, agents, wholesalers and/or other distributors of our products and/or services, changes to brand / reputation, changes in government regulations or tax laws in jurisdictions where we conduct business, the inability to protect intellectual property, the effect of undisclosed liabilities, the timing of any regulatory approvals, and other uncertainties, such as non-realisation of expected benefits or diversion of management attention and other resources, relating to future acquisitions and/or pending disposals, project delays or advancement, approvals and cost estimates amongst other items and the cumulative impact of items.

While we try to ensure that the information, we provide is accurate and complete, NRZ advises you to verify the accuracy of any information and/or statement, including a forward-looking statement before relying on it. NRZ has no obligation to update the forward-looking statements in this document or other forward-looking statements we may make. Forward-looking statements in this document are current only as of the date on which such statements are made. This document may also contain non-IFRS measures that are unaudited but are derived from and reconciled to the audited accounts. These should only be considered in addition to, and not as a substitute for, or superior to, our IFRS financial measures. All references to dollars, cents or $ in this document are to Australian currency, unless otherwise stated.

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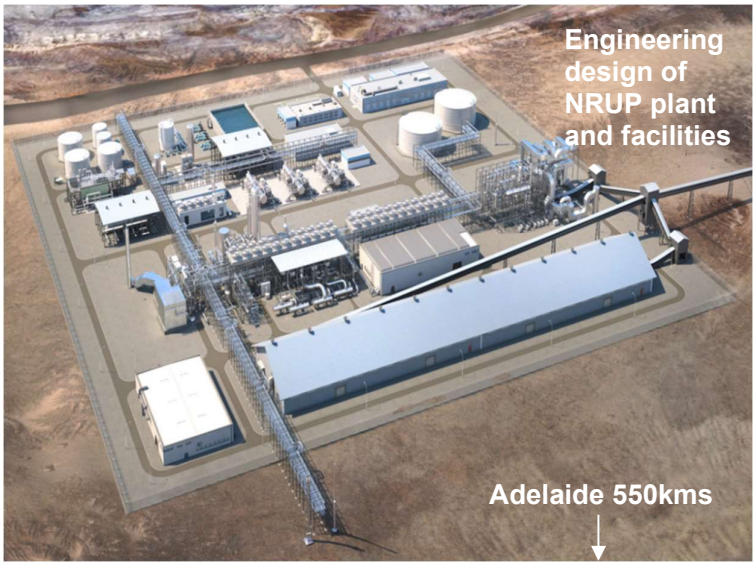
About NeuRizer Ltd

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.



The NRUP will be the only fully integrated urea production facility in Australia, with all inputs (gas, power, and CO_2) 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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