

Essar Oil UK signs offtake agreement with Vertex Hydrogen

- Essar Oil UK signs 'Heads of Terms' offtake agreement for 280MW+ of Hydrogen, to support the decarbonisation of its processes
- Vertex Hydrogen (a joint venture between Essar and Progressive Energy) is developing the first large scale, low carbon hydrogen production hub in the UK.
- Vertex is one of the leading low carbon hydrogen projects globally and as part of the HyNet Consortium, was recently selected as one of four hydrogen projects to proceed to the due diligence phase in the UK Government's Phase-2 Cluster Sequencing Process.

Stanlow, 28 September 2022: Essar Oil UK Limited (Essar) announces it has signed a 'Heads of Terms' offtake agreement with Vertex Hydrogen (Vertex) for the supply of 280MW+ of Hydrogen. The hydrogen will then be used to help decarbonise Essar's existing production facilities including the new hydrogen powered furnace which was delivered in August this year. (www.essaroil.co.uk)

Vertex, a joint venture between Essar and Progressive Energy, is developing the first large scale, low carbon hydrogen production hub in the UK, as part of the HyNet Consortium (www.hynet.co.uk). This will produce (in its initial phases) 1GW of hydrogen (the equivalent energy use of a large UK city like Liverpool) and capture some 1.8 million tonnes of carbon per annum. By 2030, Vertex expects to deliver nearly 4GW of low carbon hydrogen, equivalent to c.40% of the UK Government's national target.

Essar achieved a new milestone in its ongoing transition to low carbon operations, following the UK Government's decision in August this year to shortlist the construction of the hydrogen production plants and a separate carbon capture project at its site in Ellesmere Port, Cheshire. This commitment was confirmed in the UK's Government's recent policy statement 'The Plan for Growth'.

The two projects form part of the Essar's £1 billion investment into a range of energy efficiency, low-carbon energy, and carbon capture and storage initiatives, designed to decarbonise its production processes and put Essar at the forefront of the UK's shift to low carbon energy. The company is delivering plans to significantly reduce its emissions before the end of the decade, to become the UK's first low-carbon refinery.

Deepak Maheshwari, Chief Executive Officer at Essar Oil UK, commented:

"This is an important statement of intent by Essar and highlights our continued commitment to becoming the UK's first low carbon refinery. By signing this hydrogen offtake agreement with Vertex Hydrogen, we are helping to de-risk the project, while also securing supply for our production processes into the future and thereby reducing our carbon footprint."

-Ends-

FURTHER INFORMATION

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About Essar in the UK

Essar Oil (UK) Ltd is committed to playing a key role in the decarbonisation of the UK economy, with ambitious plans to build a green energy industrial cluster at Stanlow. These include the construction of two new low carbon hydrogen production units on site as part of the HyNet consortium, with a planned total investment of £1 billion to deliver the hydrogen production hubs. Follow on capacity growth is planned to reach 80% of the UK Government's new target of 5GW of low carbon hydrogen for power, transport, industry and homes by 2030. As well as HyNet, Essar is working with Fulcrum BioEnergy to develop a new facility to convert non-recyclable household waste into sustainable aviation fuel (SAF) for use by airlines operating at UK airports. The facility will convert several hundred thousand tonnes of pre-

processed waste, otherwise destined for incineration or landfill, into approximately 100 million litres of low carbon SAF annually.

Essar is a leading UK-focused downstream energy company whose main asset is the Stanlow Manufacturing Complex, one of the most advanced refineries in Europe situated close to the major cities of Liverpool and Manchester. Stanlow has 800 employees, and is a key strategic national asset, annually producing over 16% of the UK's road transport fuels, while playing a key role in Britain's broader petrochemical industry.

Since acquiring Stanlow in 2011, Essar has invested \$1 billion in margin improvement and other efficiency initiatives to ensure the refinery remains competitive in a rapidly changing market. The company is a major supplier in the North West and beyond with customers including most of the major retail brands operated by international oil companies and supermarkets, Manchester Airport, leading commercial airlines and the region's trains and buses.

Fulcrum BioEnergy has announced a £600 million project to create a new facility at Essar's Stanlow site, to convert several hundred thousand tonnes of non-recyclable household waste each year into sustainable aviation fuel (SAF) for use by airlines operating at UK airports.

www.essar.co.uk

About Vertex Hydrogen

Vertex Hydrogen is a leading player in the energy transition. We are developing the first large scale, low carbon hydrogen production hub in the UK. This will produce (in its initial phases) 1GW of hydrogen capacity (enough to power a city like Liverpool) and capture some 1.8 million tonnes of carbon per annum (equivalent to taking 750,000 cars off the roads). By 2030, we expect to deliver nearly 4GW of low carbon hydrogen – 40% of the UK Government's national target. We are investing an expected £1bn in the UK's largest industrial region (the North-West) to enable businesses to switch from fossil fuels to low carbon energy, helping to secure and grow vital industries and jobs and unlocking billions of pounds of related investment. Vertex is an integral part of HyNet, one of two of the UK Government's Track 1 clusters for industrial decarbonisation that was included in the UK Government's Plan for Growth. Vertex has been selected as one of four hydrogen projects to proceed to the due diligence phase in the Phase-2 Cluster Sequencing Process by the UK Government.

www.vertexhydrogen.com