



Execution of Landmark Project Development Agreement for PNG's First Nation-Building Central Lime and Cement Projects

13 March 2026

Pacific Lime and Cement Limited (ASX: PLA, PNGX: PLC) (**PLC** or the **Company**) is pleased to announce the Project Development Agreement (**PDA**) governing its flagship Central Lime and Central Cement Projects has been formally ratified by Papua New Guinea's (**PNG**) National Executive Council (**NEC**), and executed by His Excellency the Governor-General, as Head of State, at Government House. This now brings into force the full sovereign framework for one of the country's most significant new downstream industrial development precincts.

Key Highlights

- **PDA ratified by PNG's National Executive Council** – Full sovereign framework now in force for PNG's first integrated lime and cement manufacturing platform.
- **Central Lime Project (Stage 1) fully funded under construction** – 400,000 tpa quicklime facility¹ being built, with Newmont (NYSE/ASX: NEM) contracted for ~one-third of nameplate capacity.
- **PNG Government to acquire up to 18% equity in the Central Lime Project for US\$23.14m²** – State's investment underpins equity requirements for expansion plans going from 2 to 5 kilns (circa 1.1 million tonnes per annum¹).
- **Central Cement Project (Stage 2) targeting 2026 FID** – 1.65 million tpa cement project with NPV of US\$284³-339 million, advancing with International Finance Corporation as feasibility partner.
- **PNG Government to acquire up to 30% equity in the Cement Project at agreed NPV** – State's equity position to cornerstone planned dual-listed Cement Co. IPO on ASX and PNGX.
- **Landowners receive free-carried equity in both Lime and Cement projects** – 2% direct equity granted to landowners by the company, with up to 8% of the State's stake to be distributed to landowner and provincial interests.
- **Combined EBITDA** - expected EBITDA to be US\$176m (AU\$264m)^{1,3} upon Lime expansion case and Cement Stage 2 being completed with an anticipated Net Profit After Tax conversion of 41%.

¹ Refer to ASX announcement "Amended Announcement CLP Achieves FID" dated 25 August 2025

² Refer to ASX announcement "Signing of Project Development Agreement" dated 10 December 2025

³ Refer to ASX announcement "DFS completed for Central Cement and Lime Project in PNG" dated 24 January 2019



Front row (L-R): Mr. Kevin Savory, PLC CEO-Cement, Mr. Paul Mulder, PLC Managing Director, Mr. Richard Pegum, PLC Executive Chairman, The PNG Governor-General Sir Bob Dadae, PNG Prime Minister Hon. James Marape, PNG State Negotiating Team Chairman Mr. Dairi Vele, PNG Deputy Prime Minister Hon. John Rosso, PNG Minister for International Trade and Investment Hon. Richard Maru, PNG Minister for Mining Hon. Solen Loifa, PNG Minister for Bougainville Affairs Hon. Manasseh Makiba, and Hon. Daniel Tindipu, MP.

The PDA is a legally binding document that encompasses the long-term development, fiscal, equity and regulatory framework for the Central Lime and Central Cement Projects, which together are designed to create PNG's first integrated lime and cement manufacturing platform, whilst further exploring downstream concrete cast building materials.

The agreement follows the PDA's initialling led by Hon. Richard Maru, International Trade & Investment Minister, and the Government's State Negotiating Team in December 2025².

These milestones reflect a decade of collaboration between the PNG Government, landowners, and PLC.

Comments from the PNG Prime Minister

PNG Prime Minister Hon. James Marape said the agreement marks an important step in PNG's industrial development.

"This project is exactly the type of investment Papua New Guinea needs, one that turns our natural resources into industries that create jobs, support infrastructure development and build long-term value for our people."

"By partnering with responsible investors and ensuring landowners participate directly in the benefits, we are demonstrating how major projects can be developed in a way that supports both national growth and local communities."



Image: His Excellency the Governor-General, as Head of State, at Government House executing the Project Development Agreement for the Central Lime and Cement Projects.

Comments from the PNG Minister for International Trade and Investment

Minister Hon. Richard Maru said the project aligns with the Government's strategy to grow domestic manufacturing capacity.

"Papua New Guinea imports large volumes of cement and industrial materials every year. Developing a domestic industry will keep more economic value inside our country and create opportunities for PNG businesses."

"This agreement ensures landowners, provincial governments and the State all participate alongside the private sector in building a new industrial sector for PNG."

Comment from PLC Managing Director Mr Paul Mulder

PLC Managing Director Mr Paul Mulder said the execution of the PDA represents a transformational milestone for the company and the country.

"The PDA represents a genuine partnership between the PNG Government, local landowners and our company."

"Together we are building a project that will create a new manufacturing industry for Papua New Guinea while ensuring that the economic benefits are shared locally."

"With construction of the Central Lime Project now underway and strong international interest in the financing of the Central Cement Project, we are excited to advance one of PNG's most important nation-building industrial developments."



A National Industrial Platform for Papua New Guinea

PLC's Central Lime and Central Cement Projects are establishing a new, nation-building manufacturing industry in PNG that supports the country's "Vision 2050", which aims to create national infrastructure development and eliminate dependence on imported building materials, whilst broadening the economic base of PNG and growing the nation's export capacity.

The integrated development includes:

- A 400,000 tonne per annum quicklime production facility supplying mining and industrial sectors both in PNG and the APAC region.
- A 5,000 tonne per day clinker manufacturing facility with approximately 1.65 million tonnes per annum cement grinding capacity³.
- A strategically located deep-draft private wharf and logistics hub enabling efficient import of plant and equipment and export of finished product across the Pacific region.
- Downstream construction materials manufacturing, including concrete batching and casting (pipes, culverts, bridge beams, etc) plants.

The Project has also been formally recognised by PNG as a **Project of National Significance and Importance**, reflecting to the criticality of building PNG's industrial capacity and supporting PNG's long-term economic growth.

Stage 1 – Central Lime Project Now Under Construction

Construction of the Central Lime Project (Stage 1) is currently underway following Final Investment Decision in August 2025.

The quicklime facility will establish PNG's first large-scale domestic quicklime production capability, supporting mining operations, infrastructure construction, and industrial processing across the country with locally produced quicklime. With Newmont Corporation (NYSE: NEM, ASX: NEM, PNGX: NEM), the world's leading gold producer, recently announced entering into an offtake contract to purchase approximately one-third of the Central Lime Project's nameplate Stage 1 capacity⁴, more customers are now offering up their support.

Under the terms of the PDA, the PNG Government has the right to acquire a 13% equity interest in the Quicklime Project Special Purpose Vehicle (SPV) for a consideration of approximately US\$16.3 million, reflecting a discounted valuation based on the project's base-case net present value of US\$161 million². This option exercise and investment is to be made by 1 April 2026, with an additional top up option allowing the State to increase its participation by a further 5% for approximately US\$6.8 million² within 180 days of operations commencing. As the project is fully funded, funds will largely be allocated to further development and quicklime expansion(s).

The agreed valuation includes a negotiated sovereign participation discount for Stage 1, recognising the Government's support for the project through fiscal concessions, regulatory facilitation, and strategic infrastructure support.

⁴ Refer to ASX announcement "Cornerstone Quicklime Offtake with Newmont" dated 16 February 2026



Photo: Construction progress at the Central Lime Project

Stage 2 – Central Cement Project

The Central Cement Project (Stage 2) represents the next phase of development and will establish Papua New Guinea's first large-scale domestic clinker and cement manufacturing industry.

The project's most recent standalone valuation reflects a project NPV of approximately US\$284 million⁵ (without SEZ tax benefits). With these benefits factored the NPV increases to US\$339m (based on the DFS completed, and management internal estimates).

Final Investment Decision for the Central Cement Project is targeted for calendar 2026, following the completion of financing, final project structuring and feasibility updates being conducted in partnership with International Finance Corporation (IFC)⁶.

Under the PDA framework, the PNG Government may elect to acquire up to 30% equity in the Cement SPV through staged participation. This includes an initial option to acquire a 13% equity interest, exercisable no later than thirty (30) days prior to Final Investment Decision (FID), with a further option to increase participation to 18% within 180 days of operations commencing. The valuation for this 18% equity will be determined by applying a 15% discount to a mutually agreed Net Present Value (NPV). Following the initialling of the PDA in December 2025, the Company granted the PNG Government an additional option to acquire a further 12% equity in the Cement SPV, which may be subscribed by the State, its nominee, or allocated by the State to other credible PNG institutions as part of the Cement SPV IPO process, which must be exercised no later than sixty (60) days prior to FID for the Cement Project. Valuation terms for the additional 12% equity shall be consistent with the valuation and funding metrics established through the below IPO process.

The PDA provides for a future Initial Public Offering (IPO) of the Cement SPV, enabling PNG citizens, financial institutions, and regional investors to participate in the long-term growth of the project. PLC will retain a majority holding of the listed entity following any IPO. It is anticipated that such IPO will result in the Cement Project SPV

⁵ Refer to ASX announcement "Letter to Shareholders From Managing Director" dated 11 July 2022

⁶ Refer to ASX announcement "Strategic Partnership with IFC on Cement Project" dated 16 December 2025

being quoted on both the Australian Securities Exchange and the PNG Stock Exchange. Completion of this IPO would be subject to any regulatory or shareholder approvals required.

Based on estimated construction capital of circa ~US\$300 million⁵ (where an estimated +50% project finance gearing ratio is expected to be utilised), the PNG Government's 30% equity investment, will cornerstone the IPO and set a valuation floor for PNG and international institutional investors.

The Company is also working with various PNG Government departments in firming up their demand for competitively priced, high quality and locally sourced quicklime, cement, and concrete cast products to be supplied from the Company's future production.

Strong Local Ownership and Landowner Participation

A central feature of the Project is the meaningful participation of landowners and local communities.

Under the agreement:

- 2% free-carried equity in each project SPV will be granted directly to project landowners by the Company.
- Up to 8% of the State's acquired equity in each project SPV shall be allocated via distribution to landowners and provincial interests, *funded by the PNG Government*.

These arrangements ensure that landowners participate directly in the long-term success of the project while avoiding any requirement to contribute development capital.



Image: Landowner representatives for Kido and Rea Rea, and Papua New Guinea Government officials, including Prime Minister Hon. James Marape and Deputy Prime Minister Hon. John Rosso, and other senior Government officials at the signing ceremony for the Central Lime and Cement Project, Project Development Agreement.

Beyond equity participation, the project is designed to create substantial opportunities for local businesses and community enterprises, including:

- Trucking and logistics services;
- Road maintenance;
- Labour hire and construction services
- Catering, security, and site support services; and
- Port operations and downstream materials handling.

The PDA also includes commitments that the Project will prioritise procurement from landowner companies, many of which have already been established and capitalised. Local district businesses, and PNG-owned enterprises are to be selected wherever commercially feasible.

Government Policy Support for Domestic Industry – Tariff Protections

The PNG Government has committed to policies supporting the development of domestic lime and cement production.

Under the PDA framework, the State will seek to use PNG-produced quicklime, clinker and cement by government bodies and contractors where products are competitively priced and reliably available.

Where international trade practices distort domestic markets, the State has committed to examining the application of trade measures consistent with PNG law and international trade obligations to support domestic industry.

These provisions form part of the Government's broader strategy to strengthen local manufacturing and eliminate reliance on imported construction materials.

Strategic Infrastructure – Deep Water Port and Regional Export Potential

The Project benefits from a strategically located private deep-draft wharf, providing direct maritime access to international shipping routes, which is fully owned and operated by the Company.

This infrastructure will allow efficient import of equipment and materials during construction and provide long-term export capability for cement and lime products into the wider Pacific region.

The location is expected to support growing infrastructure demand across Papua New Guinea while positioning the project as a regional supplier to Pacific infrastructure and resource development markets.

Financing and International Development Interest

PLC is actively engaging with a number of international lenders and development finance institutions regarding potential financing for the Central Cement Project (including IFC). The Company believes the Project's strong sovereign partnership with the Government of PNG, meaningful landowner participation, Special Economic Zone fiscal framework, growing domestic infrastructure demand (through the Connect PNG program), strategically located deep-draft port infrastructure and robust governance arrangements, collectively create a highly attractive platform for long-term development capital.

The Project is being advanced in alignment with internationally recognised environmental, social and governance standards, including the IFC Performance Standards applicable to major industrial developments.

The Company expects to update the market on further developments in the coming weeks.

– ENDS –

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A conceptual overview video was recently completed. To view please visit the following link [Conceptual Rendering - Central Cement and Lime Project - Special Economic Zone - PLC](https://youtu.be/wwRRpzPeEfc) (https://youtu.be/wwRRpzPeEfc)

About Pacific Lime and Cement Limited

Pacific Lime and Cement Limited (ASX: PLA. PNGX: PLC) is advancing the development of Papua New Guinea's lime and cement industry to supply essential building materials for the nation and the wider Asia-Pacific region. Anchored by its flagship Central Lime and Cement Projects, PLC is creating a fully integrated platform for local manufacturing, import substitution, and sustainable growth. The company's diversified portfolio also extends to industrial sands, nature-based forestry carbon credits, and renewable energy, supporting its commitment to delivering cleaner, long-term solutions that build enduring value for PNG and its communities. PLC also holds an approximately 16.3% interest in copper gold explorer/developer Adyton Resources Corporation, a company listed on the TSX-V (TSXV: ADY).

PLC's strategy is to support Papua New Guinea and the broader Asia Pacific region on their decarbonisation journey by developing projects that deliver higher-quality, lower-cost, and targeted 'low-carbon' inputs for the mining, resources, and construction sectors. The company will support these projects where applicable with a diversified renewable energy portfolio encompassing solar, wind, geothermal, nature-based forestry carbon credits, and battery storage initiatives.

PLC is committed to engaging with host communities throughout the lifecycle of its projects, as well as incorporating internationally recognised Environmental, Social and Governance (ESG) standards into its strategy and business practices.