



Mitchell
SERVICES

29 August 2025

**MITCHELL SERVICES LIMITED
(ASX: MSV)**

**SUMITOMO CORPORATION COMMITS TO MATERIAL EQUITY INVESTMENT IN MSV JV ENTITY LOOP
DECARBONISATION**

Mitchell Services Limited (ASX: MSV) (the Company) is pleased to announce that a subsidiary of Sumitomo Corporation (Sumitomo) has completed a material, strategic equity investment into Loop Decarbonisation Solutions Pty Ltd (Loop).

Loop offers end-to end decarbonisation solutions for a wide variety of clients including those affected by the Safeguard Mechanism Legislation. For MSV, Loop represents a significant growth opportunity and strategic pivot into a new sector.

Key Highlights

- Sumitomo to acquire up to 25% of the equity in Loop
- The investment validates the business strategy and service offering
- The investment provides a strong platform to accelerate growth
- Values the Loop business at approximately \$24million
- Sumitomo is a world class strategic business partner with a strong focus on decarbonisation

Transaction Details

Under the terms of an executed subscription agreement, Sumitomo has agreed to acquire (via an issue of new shares) up to 25% of the ordinary share capital of Loop for cash consideration in three tranches as follows:

- Tranche 1 - \$1.5m for a 6.25% equity interest
- Tranche 2 - \$1.5m for a further 6.25% equity interest

The tranche 1 and tranche 2 payments are subject to certain conditions summarised below and, on the basis that those conditions are met, value the Loop business at approximately \$24 million.

- Tranche1 is subject to a condition subsequent whereby Loop is required to enter a new drilling contract or extend an existing contract within 12 months
- Tranche 2 is subject to a condition precedent whereby (post the Tranche 1 condition subsequent being met) Loop is required to enter a new drilling contract or extend an existing contract.

In addition to the first two tranches, Sumitomo have committed to a third tranche investment whereby it will acquire additional equity in Loop subject to the purchase price and valuation being agreed when the third tranche becomes payable. Upon completion of the third tranche, Sumitomo's ultimate shareholding will be at least 20% but no more than 25%.

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About Loop Decarbonisation

Loop was established in 2024 as a 50/50 joint venture between MSV and specialist mining advisory firm, Talisman Technical and offers end to end decarbonisation solutions to companies in a variety of sectors, spanning:

- decarbonisation strategy emissions reduction pathways including financial and carbon modelling
- operational readiness including engineering, health & safety and environmental management systems, and program approvals
- liaising with government bodies for funding
- assisting with regulatory submissions
- peer review of EIS reports by other parties

Since establishment, Loop's primary strategy involves focusing on mining operations which are required to reduce fugitive greenhouse gas emissions under the Federal Government's Safeguard Mechanism and state government greenhouse gas management approvals. Within the mining sector, a key focus was to offer a solution for coal miners that included the above end to end decarbonisation solution but that also included:

- Gas reservoir characterisation and gas production modelling
- Full in field gas operations including but not limited to drilling, gas drainage and gas gathering, including novel propriety technological solutions
- Project management of in field operations including dynamic gas modelling and reporting
- Beneficial use and offtake opportunities for the gas being drained from the coal

Loop has recently completed a successful, one rig, trial program in field with its first client. Loop has also recently secured a second client who are currently in the operational readiness phase, with drilling expected to commence soon.

Talisman Technical is a subsidiary of the broader Talisman Group. Following the completion of the third tranche equity investment, it is expected that MSV and Talisman Technical will each own between 37.5% and 40% of Loop.

About Talisman Technical

Talisman Technical provides unique and customised technical solutions to the resource sector in the form of an ESG advisory, mining advisory, decarbonisation advisory, digital and technology solutions and mining operations. With a demonstrated track record, the business provides bespoke and contemporary solutions that provide positive and long-lasting impacts on the mining industry and the communities in which they operate.

With combined experiences in private and public enterprises, finance and insurance markets, mergers and acquisitions and building and operating mining operations, Talisman Technical works with clients to ensure they are positioned to deliver full value from their assets.

About Sumitomo Corporation

Sumitomo Corporation (TYO: 8053) is an integrated trading and business investment company with a strong global network comprising 127 offices in 64 countries and regions. The Sumitomo Corporation Group consists of approximately 500 companies and 80,000 employees on a consolidated basis. The Group's business activities are spread across the following nine groups: Steel, Automotive, Transportation & Construction Systems, Diverse Urban Development, Media & Digital, Lifestyle Business, Mineral Resources, Chemicals Solutions and Energy Transformation Business. Sumitomo Corporation is committed to creating greater value for society under the corporate message of "Enriching lives and the world," based on Sumitomo's business

philosophy passed down for over 400 years. Sumitomo Corporation is working not only to reduce emissions from existing businesses, but also to create next-generation businesses that will contribute to achieving a carbon-neutral society.

Loop CEO, Vikesh Magan said, "Loop is generating industry interest as a practical and effective emissions reduction solution, and Sumitomo's investment is a genuine vote of confidence in our strategy to develop and grow a decarbonisation solutions business. This investment will enable us to further develop and grow the business with a world class trusted business partner."

About the safeguard mechanism

The Safeguard Mechanism is an Australian Government policy aimed at limiting greenhouse gas emissions from large industrial facilities. Introduced in 2016 under the National Greenhouse and Energy Reporting Act, it applies to facilities emitting more than 100,000 tonnes of CO₂-equivalent annually. In July 2023, major reforms strengthened the scheme to align with the nation's net zero emissions target by 2050. Coal mines, particularly open-cut and underground operations, fall within the scope if they exceed this emissions threshold (which includes fugitive emissions).

Under the updated mechanism, coal mines are set individual emissions baselines that gradually decline over time. These baselines are designed to ensure each facility contributes to a sector-wide goal of reducing emissions intensity. From 1 July 2023, baselines reduce by approximately 4.9% per year.

To remain compliant, coal mines must ensure their annual emissions stay within their set baseline. If emissions exceed the baseline, operators are required to offset the excess. This can be done by purchasing and surrendering Australian Carbon Credit Units (ACCUs) or Safeguard Mechanism Credits (SMCs), which are generated by facilities that perform better than their baseline.

There are compliance and reporting obligations to ensure transparency and accountability. Coal mines must report their emissions annually to the Clean Energy Regulator (CER). Non-compliance with the Safeguard Mechanism (such as failing to offset emissions beyond the baseline) can result in enforcement action, including financial penalties. The CER also has discretion to issue remedial directions and publish the names of non-compliant entities, which can affect a company's public and investor reputation.

This announcement has been authorised by the Company's Board of Directors.

For more information, contact:

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