REES appointment of Administrator for Voluntary Administration

25 September 2026

Red Earth Energy Storage Pty Ltd (**REES**), a wholly owned subsidiary of RedEarth Group Australia Ltd (**RGA**), has experienced significant cashflow difficulties over the past months and these have now become overwhelming. The Directors of REES have therefore concluded that it is necessary to appoint Administrators to REES to begin the process of Voluntary Administration. B&T Advisory were appointed at 10.00am on 25 September 2026.

Impact on RGA shareholders. RGA holds 100% of the REES shares and has loaned into REES since 1 Sep 2025 a total of $8.2 million plus interest, of which $2.5m has been capitalised. As a group creditor, it is unlikely that the $5.69m outstanding loan amount at 31 August 2026 will be recoverable.

RGA's only other material asset is the development work done to date on a proposed gridscale battery manufacturing facility in Western Sydney (the **Project**). The Project has already been short-listed by the Australian Renewable Energy Agency (**ARENA**) to proceed from the expression of interest stage to a full application under its Battery Breakthrough Initiative (a $500 million Commonwealth program) and RGA has also applied for funding under the New South Wales Government's Renewable Manufacturing Grant. The value of the Project, if any, is unclear at this time and the Board is undertaking negotiations with parties who may consider acquiring the project.

Why now. REES is the RedEarth group company that designs, assembles and sells RedEarth's battery storage systems. Over the past months REES has experienced damaging levels of competition from cheaper imported batteries, particularly in the residential sector. This competitive pressure is likely to extend during the coming financial year, placing further strain on REES's cash position and ability to continue as a standalone entity. To this end, RGA has been pursuing a potential corporate transaction involving REES, which may include a sale of REES. That transaction is under discussion only: it has not been agreed, remains subject to negotiation, due diligence and third-party approvals, and may not proceed. For confidentiality reasons we cannot give more details about it at this stage.

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Approved by the Board of RedEarth Group Australia Ltd

ENDS

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