Successful A$50 million equity raising and DFC term sheet for US$15 million convertible note to accelerate the industrial growth platform

9 November 2026

Highlights

- Pacific Lime and Cement Limited (ASX: PLA | PNGX: PLC) (PLC or the Company) is pleased to announce it has received firm commitments from institutional, sophisticated and professional investors for a A$50 million placement (before costs) to accelerate the Company's industrial growth platform (Placement).
- **DFC term sheet executed:** the United States International Development Finance Corporation (DFC) and PLC have executed a non-binding term sheet for a proposed US$15 million senior unsecured convertible note with an eight-year tenor and the right of first refusal over future financing associated with the industrial growth platform.
- **International port expansion:** FID targeted Q1 CY2027 – capital cost estimates and funding being finalised.
- **Precinct tenant and strategic partner engagement under way:** first binding tenant agreements targeted for Q4 CY2026.
- **Acceleration of Central Cement Project:** pre-construction and early works scheduled to commence this quarter, and final investment decision (FID) targeted Q1 CY2027.
- **Placement supports the next phase of SEZ and Integrated Industrial Precinct growth:** approximately 4,500 hectares of registered long-term tenure within a State-gazetted Special Economic Zone, with fiscal incentives for qualifying businesses.

The Placement is announced together with the execution with DFC of a term sheet for a proposed US$15 million convertible note investment at the Company level (Convertible Note). If the Convertible Note is issued, DFC would have a right of first refusal over project financing for the industrial platform encompassing quicklime, cement and port facilities (the Facilities). Entry into the Convertible Note is subject to entering definitive documentation. Any future financing remains preliminary, non-binding and subject to satisfactory due diligence, DFC management and board approvals, applicable E&S requirements including the 60-day ESIA disclosure period, relevant project FIDs, agreement on commercial terms and execution of separate project financing term sheets and definitive documentation.

The Placement provides the capital to accelerate PLC's Special Economic Zone (SEZ) growth platform, to advance the Central Cement Project towards a final investment decision, and continuing Central Lime Project (CLP) construction with first lime production targeted for late Q1 to Q2 CY2027.

PLC has recently released plans for an expanded international 9-berth facility; an integrated Special Economic Zone with PLC's lime and cement operations as anchor tenants; a proposed regional strategic fuel reserve, with expressions of interest now open; and a 2,330-lot land subdivision.

These initiatives represent the first phase of the SEZ growth platform that PLC, its landowner partners and the PNG Government have been working towards for a number of years. The proposed investment by DFC is an important external endorsement of the platform and positions the Kido/Rearea precinct for further international institutional and development finance participation.

Petra Capital acted as Lead Manager and Sole Bookrunner to the Placement. Barrenjoey Markets acted as Co-Lead Manager.

Tamesis Partners LLP is acting as Co-Manager to the Placement and as financial adviser to PLC in relation to the Convertible Note and potential future project-level financing. The Company expects that the debt financing requirement for any future project-level financing of the Facilities will be up to US$400 million. This figure is indicative and may vary with the proposed scope, phasing, gearing and equity funding of the Facilities.

"The DFC transaction, alongside the backing of our new and existing shareholders, has the potential to be transformational for PLC and a landmark moment for Papua New Guinea. If consummated, the investment will be a validation of what we, our landowner partners and the PNG Government have been building at Kido/Rearea for years, and it is a clear signal to international institutions that now is the time to look at this platform."

"The PLC team remains focused on delivery of the CLP with first operations targeted for late Q1 to Q2 CY2027. No other site in Papua New Guinea combines 4,500 hectares of registered 99-year industrial land, a licensed SEZ and a privately owned, internationally accredited port. The Placement enables us to progress tenant agreements and move towards generating

revenue. We are excited to move PLC from developer to producer and landlord, and from a single project to an integrated industrial platform. We look forward to putting investors' funds to work and updating the market on ongoing progress."

Paul Mulder, Managing Director

"We are delighted with the support for the Placement and welcome a number of new highly credentialled local and offshore institutional and sophisticated investors to the register. On behalf of the Board, I would also like to thank our existing shareholders for their ongoing support.

"The signing of the DFC term sheet represents a major milestone for PLC and reflects the strategic importance of the Company's industrial platform to both Papua New Guinea and international development objectives. DFC's engagement follows extensive work completed by the Company and its advisers over several years and provides an important financing pathway across our integrated lime, cement, port and industrial precinct developments. Together with the strong support for the Placement, we believe the combination of PLC's strategic assets, government partnerships and development finance engagement positions the Company for a transformative period of growth."

Richard Pegum, Executive Chairman

Placement details

The Placement was completed at a price of A$0.36 per CDI, representing a 5.3% discount to the last closing price and a 3.6% discount to the 5-day VWAP up to and including 4 November 2026.

A total of 138,888,889 CDIs will be issued under the Placement, representing approximately 14.9% of the Company's existing shares on issue. 45,681,187 CDIs will be issued under ASX Listing Rule 7.1 and 93,207,702 CDIs will be issued under ASX Listing Rule 7.1A. CDIs issued under the Placement will rank equally with existing CDIs from the date of issue. Placement CDIs are expected to settle on 13 November 2026 and be issued on or around 16 November 2026.

Use of funds

Funds raised from the Placement will accelerate the precinct's delivery, fast-track tenant and strategic partner engagement, assist in finalisation of port expansion plans, enable a global expression of interest for industrial users, launch the 2,330-lot land subdivision, seek strategic partners for the port and SEZ land, finalise further project development works across the proposed regional strategic fuel reserve and conduct early works towards FID for the cement project.

The Company intends to apply the Placement proceeds as follows:

Use of funds	A$m	%
SEZ precinct and port expansion development (tenant and strategic partner engagement, global industrial EOI, land subdivision, port expansion design and pre-FID works)	27.0	54.0%
Central Cement Project early works and pre-FID costs	10.0	20.0%
Corporate costs, DFC transaction structuring and due diligence, and general working capital purposes	10.8	21.6%
Costs of the Offer	2.2	4.4%
Total	**50.0**	**100.0%**

DFC term sheet

DFC and the Company have executed a non-binding term sheet for a proposed US$15 million senior unsecured convertible note with an eight-year tenor. The Convertible Note is intended to provide corporate-level funding for pre-development activities across PLC's lime, cement and international port project companies, including environmental and social impact assessments, early engineering and project preparation work. A summary of the key indicative terms of the Convertible Note is set out in Appendix A, and remains subject to due diligence, negotiation of definitive documentation and receipt of final internal approvals.

The Convertible Note is expected to be an important step in PLC's objective of creating Papua New Guinea's first integrated lime, cement, port and industrial special economic zone platform at Kido/Rearea. The Convertible Note would give DFC a right of first refusal over future financing of the Facilities. DFC has not made any commitment to provide that financing, which remains subject to the matters described in this announcement. It complements the Company's ongoing work with the Government of Papua New Guinea on offtake, project support agreements and the broader financing package for the platform.

Status, conditions and shareholder approval

DFC and the Company have executed a non-binding Convertible Note term sheet. Entry into the Convertible Note is subject to negotiation of definitive documentation, in addition to the ASX confirming that the terms of the Convertible Note are appropriate and equitable for the purposes of ASX Listing Rule 6.1, the Company having received A$20 million in cash for new shares issued after 28 October 2026 (a condition the Company expects the Placement to satisfy), and the Company

having sufficient placement capacity under ASX Listing Rule 7.1 to issue the Convertible Note. Any future project-level financing of the Facilities remains preliminary, non-binding and subject to satisfactory due diligence, DFC management and board approvals, applicable E&S requirements including the 60-day ESIA disclosure period, relevant project FIDs, agreement on commercial terms and execution of separate project financing term sheets and definitive documentation. The Company has granted DFC a 60-day period of exclusivity from execution of the term sheet to complete due diligence and negotiate definitive documentation for the Convertible Note financing. The Company will use its best endeavours to seek shareholder ratification of the issue of the Convertible Note under ASX Listing Rule 7.4 at its first general meeting following execution of definitive documentation. To the extent any conversion would exceed the Company's available placement capacity, the Company will seek shareholder approval for the excess. Conversion is subject to a cap of 29.99% on DFC's ownership of the Company.

An Appendix 3B in respect of the Placement will be lodged with ASX following release of this announcement.

A further Appendix 3B in respect of the Convertible Note will be lodged upon execution of definitive documentation.

Next steps

PLC will now work with DFC to progress definitive documentation and final internal approvals for the Convertible Note. There is no certainty that definitive documentation will be executed or that any financing will be provided on the terms described, or at all. PLC will keep the market informed of material developments in accordance with its continuous disclosure obligations.

Authorised for release by the Board of Directors.

— ENDS —

This announcement is not an offer of securities in the United States. The securities have not been, and will not be, registered under the US Securities Act of 1933 and may not be offered or sold in the United States absent registration or an exemption. This announcement contains forward-looking statements, including forecast costs, funding and timing, the proposed Convertible Note (including the terms, timing and availability of any financing) and project investment decisions, which are subject to risks and uncertainties; actual outcomes may differ materially, and readers should not place undue reliance on them. PLC believes it has reasonable grounds for these statements based on information available at the date of this announcement. Subject to its continuous disclosure obligations, PLC undertakes no obligation to update them.

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Appendix A – Key indicative terms of the proposed Convertible Note

The following is a broad summary of the key indicative terms of the Convertible Note set out in the DFC term sheet. The terms are non-binding, remain subject to negotiation, DFC approvals, due diligence and definitive documentation, and may change.

Term	Summary
Issuer	Pacific Lime and Cement Limited.
Investor	United States International Development Finance Corporation (DFC).
Securities	US$15,000,000 aggregate principal amount of senior unsecured convertible notes (Notes).
Ranking and security	Senior unsecured and unsubordinated obligations of the Company. No guarantors and no collateral.
Issue price	100% of the principal amount.
Maturity	Eight years from the issue date, unless earlier converted or redeemed.
Interest	8% per annum, payable in cash or, at the Company's election, capitalised as payment-in-kind (compounded annually and added to the principal amount).
Conversion price	A$0.42 per CDI (15% premium to the A$0.365 20-day VWAP to 4 November 2026).
Conversion by DFC	DFC may convert all or part of the Notes at any time. The number of CDIs issued equals the principal amount plus accrued but unpaid interest (including capitalised interest), converted into A$ at the 5-day average Bloomberg USD/AUD rate, divided by the conversion price. Conversion securities will be new CDIs quoted on ASX.
Conversion by the Company	Following completion of the lime kilns, the international port project and the cement kilns (as confirmed by an independent technical adviser), the Company may require conversion of the Notes if the 20-day VWAP of its CDIs equals or exceeds 200% of the conversion price, on at least five ASX trading days' notice.
Optional redemption	From 31 December 2027 the Company may, in certain circumstances, redeem the Notes at par or a small premium, plus accrued interest.
Ownership cap	Conversion is limited to the extent it would result in DFC holding more than 29.99% of the Company's issued equity.
Placement capacity and shareholder approval	Issue of the Notes is conditional on the Company having sufficient placement capacity under ASX Listing Rule 7.1. The Company will use its best endeavours to seek ratification of the issue under ASX Listing Rule 7.4 at its first general meeting after definitive documentation is executed. If a conversion would exceed available placement capacity, the Company will seek shareholder approval for the excess. Where the ownership cap or placement capacity limits conversion, DFC may elect for the excess Notes to remain outstanding or be cash settled at the greater of market value and par.
Tradability	The Company must issue a cleansing notice with each issue of conversion securities. If it is unable to do so, DFC may defer conversion, require a cleansing prospectus, require cash settlement or withdraw the conversion notice.
ASX in-principle advice	Before entry into definitive documentation, the Company will apply to ASX for in-principle advice that the terms of the Notes are appropriate and equitable for the purposes of ASX Listing Rule 6.1.
Conditions	Customary conditions, including completion of DFC's due diligence and legal opinions, together with: sufficient placement capacity under ASX Listing Rule 7.1; ASX confirmation that the terms of the Notes are appropriate and equitable for the purposes of ASX Listing Rule 6.1; sufficient authority under section 161 of the Companies Act 1967 (Singapore) to issue the conversion securities; and the Company having received A$20 million in cash for new shares issued after 28 October 2026.
Use of proceeds	Pre-development activities for the lime, cement and international port project companies, including environmental and social impact assessments, early engineering and project preparation work.

Term	Summary
DFC consent rights	Until the earlier of 31 December 2027 and execution of project finance documentation with DFC, while DFC holds Notes: consent rights over any change of control of the lime, cement or international port project companies (excluding a change of control of the Company) and, subject to International Finance Corporation waiver on cement financing, a right of first refusal over any project financing for those companies. DFC also has a right of first refusal over any proposed sale of the Company's interest in those companies to a foreign entity of concern.
DFC policy requirements	Customary DFC statutory and policy requirements, including environmental and social, anti-money laundering, sanctions, anti-corruption, foreign entity of concern, telecommunications equipment and high-risk investment restrictions.
Covenants and events of default	Customary representations, covenants and events of default for a financing of this type.
Transfer	Transferable on five business days' notice, other than to competitors, activist investors or sanctioned persons. DFC's consent rights are personal to DFC and do not transfer other than to a US government agency or instrumentality.
Exclusivity	60 days from execution of the term sheet.
Governing law	Definitive documentation to be governed by the laws of Queensland, Australia, subject to DFC's requirements as a US government agency.
Quotation and voting	The Notes will not be quoted on ASX and do not carry voting rights.