

27 March 2024

Business Restructure and Director Resignation

Following the announcement (ASX Release 13 Feb 2024) of the resignation of Mr. William Tarantino, head of Hydrocarbon Dynamics Limited (**ASX: HCD**) (“HCD” or “**the Company**”) chemical division, HCD announces further re-structuring initiatives aimed at reducing costs, whilst maintaining the HCD business and assessing new investment opportunities.

It is anticipated that post April 1, 2024, Mr. Tarantino will continue to assist HCD sales efforts and transition matters via a commission based agency agreement.

HCD will also transition all salaried staff and most consultants from salaries or retainers to hourly rates to further reduce costs. Directors have also agreed to waive director fees until the financial position of the Company is strengthened. As at 31 December 2023, HCD had cash reserves of \$974,000.

The above initiatives are estimated to reduce HCD’s cash outflows by circa A\$200,000/quarter, while maintaining all sales and marketing efforts through existing distributors and agents.

HCD continues to review new investment and business opportunities in the energy, resources and technology sectors with the objective being to enhance shareholder value. Some of the opportunities being considered would, if progressed, require both shareholder and regulatory approvals.

In addition, Andrew Seaton has notified the board of his intention to resign from the board at the end of April to concentrate on his other executive and non-executive roles. HCD’s Chairman, Stephen Mitchell, commented “Andrew has made a very valuable contribution to HCD during his 4 years on the board. His clarity of thought, strategic thinking, financial acumen and attention to detail have been highly valued by the board”.

Approved by the Board of Directors

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