Sinopec & NCF sign term sheet to commercialise CO₂-to-fuel technology in China

NewCO2Fuels Ltd (NCF) has entered into a term sheet with Sinopec Engineering (Group) Co Ltd (SEG) to commercialise NCF’s award winning CO₂-to-fuel technology for the Chinese market.

- Commercialisation terms follow recent feasibility studies and site visits to Israel and China, based on the Cooperation Agreement entered into in May
- SEG to take joint responsibility for commercialisation in China, providing engineering for pilot plants and commercial sales
- SEG and associates to now secure commercialisation funding for NCF

Greenearth Energy Limited (ASX: GER) (Greenearth, the Company) is pleased to announce that NewCO2Fuels Ltd (NCF) has entered into terms with Sinopec Engineering (Group) Co Ltd (SEG) to commercialise NCF’s award winning CO₂-to-fuel technology for the Chinese market.

Following successful feasibility studies performed by SEG, the parties have agreed to terms, detailing the responsibilities and process to commercialise the technology for China and also create a path to roll out full-scale plants following completion of a successful pilot. This next stage agreement follows the Letter of Intent and was pursuant to the Cooperation Agreement previously signed between NCF and Sinopec Ningbo Engineering Co. Ltd (SNEC) (a subsidiary of SEG), as outlined in previous ASX announcements.

The award winning NCF product, which demonstrates a viable, valuable and technologically proven solution to the global problem of CO₂ reduction, continues to attract significant interest from several major international groups, including SEG.

SEG is a wholly owned subsidiary of the Sinopec Group (China Petrochemical Corporation), which is one of the largest companies in China and in recent years has invested billions of dollars in international acquisitions, including in Australia. Sinopec Group ranked second in the Fortune Global 500 in 2015, with reported revenues of US$447 billion.

The agreed terms outline responsibilities, milestones and funding process, along with the key objectives of SEG and NCF.
Entry into the Term Sheet represents a major step by NCF and SEG towards formalising detailed documentation for the commercialisation agreement.

**Samuel Marks, Managing Director said:** “This agreement is transformational for NCF and the best validation to date for the technology. To have a partner such as Sinopec Engineering engaged in the commercialisation of the CO₂-to-fuel technology is indeed a game changer.

“The focus now is on progressing through to the development of large scale commercial plants after Sinopec Engineering secures the requisite funding.

“Sinopec Engineering has done an inordinate amount of work to get to the commercialisation stage, and is an impressive partner for NCF in China. The Chinese market is a huge opportunity for NCF’s technology and represents potentially 40%+ of the global market. We are enthusiastic about the strength of this partnership and the near term commercialisation opportunity in China.”

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For enquiries please contact:

Ben Jarvis  
Director  
Six Degrees Investor Relations  
+61 2 9230 0661  
ben.jarvis@sdir.com.au

Samuel Marks  
Managing Director  
Greenearth Energy Ltd  
+61 3 8625 0500
About Greenearth Energy Limited

Greenearth Energy Limited is a diversified Australian-based renewable energy company with interests in technology-focussed solutions in the industrial energy efficiency and CO₂-to-fuel conversion markets.


About NewCO2Fuels

NewCO2Fuels (NCF) is an Israeli start-up company which was formed in 2011 by a group of scientists and entrepreneurs with the support of Greenearth Energy Ltd and the Erdi Group. NCF was formed to develop and commercialise an innovative system to profitably produce fuels from CO₂ and water, using renewable high temperature heat from solar or excess heat from industry. The system is based on a technology previously developed at the Weizmann Institute of Science and exclusively licensed to NCF.

NCF won the World Technology Network award for Energy in November 2014, and has received numerous grants and accolades from governments around the world. Its technology has also been independently validated by several major international engineering and technology consultancy firms.

Having developed its unique technology, NCF’s current focus is commercialisation (via deployment of modular systems to several pilot plants).

Review video at the attached link for further information: https://www.youtube.com/watch?v=vH-YZdqB_SE
NewCO2 Fuels Website - http://newco2fuels.co.il/

Greenearth’s 33.33% effective economic interest in NCF is represented by its 50% ownership of NCF Global, a company that owns 66.67% of NCF. The other 50% of NCF Global is owned by the Erdi Group, which is also a shareholder in Greenearth.