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ASX: IGE

## Update on New International Partnerships

- Further sites planned with new local business partners across the Philippines and Indonesia.
- Global Strategy update: 7x7x7
- Australia Update: Scott Morrison says it's "our waste, our responsibility"

### **Business Partnerships formed in the Philippines and Indonesia:**

The directors of Integrated Green Energy Solutions Limited ("IGES" or "the Company") are pleased to update the market on the progress of opportunities in the Philippines and Indonesia for the proposed construction and operation of Plastic to Fuel ("PTF") plants in those jurisdictions.

The proposed plants will utilise IGES's patented technology and will ensure both the supply of plastics and local experienced management as IGES implements its global expansion strategy, thus contributing to maximising shareholder value in IGES.

### **Philippines**

IGES has executed a term sheet with Envirotech Waste Recycling Inc ("EWRI"). EWRI was formed in 2010, and since its establishment has partnered with providers of cutting-edge technologies, enterprises and organisations who, like IGES, have devised new and efficient ways of deriving useful substances and energy out of biodegradable and non-biodegradable wastes. They produce 100% recycled plastic products such as benches and stairs made from non-biodegradable waste.

Under the terms of the agreement, EWRI will have a 10% equity stake in the Philippines project and provide all feedstock requirements for the facility. This agreement provides IGES local assistance to achieve government approvals and the supply of 200 tonnes per day ("tpd") of feedstock, enough to produce over 70 million litres of road ready diesel and petrol per annum.

IGES is responsible for providing the PTF technology, funding, design, construction and operation of the facility.

Subject to agreement regarding detailed contractual terms by 30 December 2019, IGES will establish an entity in the Philippines ("IGE Philippines") and will take a 90% equity position. EWRI will have a 10% equity stake in consideration for providing reliable feedstock supply and local management assistance. There are no conditions precedent to the term sheet.

### **Indonesia**

IGES has executed a term sheet with PT Hasya Jaya ("PTHJ"). PTHJ is a Javanese recycling and waste company operating in multiple locations in West Java. Under the terms of the agreement, PTHJ will be providing 200 tpd in feedstock, in addition to being responsible for achieving environmental permits for the site. Once operational, the site will produce over 70

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million litres of road ready fuel annually. PTHJ's experience in licensing requirements and contacts throughout the recycling industry will assist IGES to expand throughout Indonesia.

IGES is responsible for providing the PTF technology, funding, design, construction and operation of the facility.

PTHJ shall be the Company's exclusive partner for any fuel plant constructed or feedstock supply agreement entered within Java, Sumatra, Kalimantan and Bali.

Subject to agreement regarding detailed contractual terms by 30 December 2019, IGES will establish an entity in Indonesia ("IGE Indonesia") and will take a 90% equity position. PTHJ will have a 10% equity position in consideration for providing reliable feedstock supply and local management assistance. As with the Philippines opportunity, it is forecast that this plant can generate substantial profits for the shareholders of IGES. There are no conditions precedent to the term sheet.

**Global Strategy update: 7x7x7**

This planned expansion into the Philippines and Indonesia represents further implementation of the Board's global growth strategy of growing the size and scale of the IGES business to include a global portfolio of sites by both establishing standalone businesses and linking with local partners. As outlined in the Managing Director's presentation delivered at the 2018 AGM held on 30 November 2018, IGES plans to build its business scale to a size represented by 7 facilities operating, 7 plants in construction and ramp up mode, and a further 7 plants in development by the end of 2020. In delivering in this strategy, IGES has progressed 20 sites to date and is in various stages of development on these projects. Significant milestones have previously been announced on specific sites, and a complete summary of all sites is as follows:

Site #	Country	City	Volume (TPD) Start-up	Notes
1	Netherlands	Amsterdam	100	Currently under construction, operations due to commence end 2019
2	Thailand	Prachinburi	200	Approval to operate facility received from Thai authorities, design process underway
3	UK	Northampton	200	Approval to operate facility received from UK authorities, design process underway
4	Hong Kong	EcoPark	200	Approval for site received from Hong Kong authorities, design process underway
5	UK	Grimsby	200	Deposit placed on site, expected to settle in September, approvals and design process underway
6	China	Shandong	200	JV entered into with publicly listed waste company Beautiful China, approvals process underway
7	USA	Camden	1500	JV entered into with GEP Fuel and Energy, Indiana, who will provide feedstock.
8	UK	Connah's Quay	200	Site selected, sale conditional on receiving approvals
9	Spain	Murcia	200	Term sheet entered into with local partner
10	Spain	Almeria	200	Term sheet entered into with local partner
11	Indonesia	West Java	200	Term sheet entered into with local partner
12	Philippines	Valenzuela	200	Term sheet entered into with local partner

Site #	Country	City	Volume (TPD) Start-up	Notes
13	Belgium	Ghent	200	Discussions being held with local Port Authority and potential feedstock providers, in addition to the Government of Flanders through the Flanders Investment & Trade organisation.
14	USA	Tri-State	200	Local partner and feedstock provider selected, agreement to be executed shortly.
15	UK	Billingham	200	Local partner and feedstock provider selected, agreement to be executed shortly.
16	India	Indore	200	Local partner and feedstock provider selected, agreement to be executed shortly.
17	India	Bhopal	200	Local partner and feedstock provider selected, agreement to be executed shortly.
18	Malaysia	Balok	200	Local partner and feedstock provider selected, agreement to be executed shortly.
19	Germany	Thuringia	200	Local feedstock provider selected
20	Germany	Bavaria	200	Local feedstock provider selected

This global business strategy will require a capital investment in the vicinity of \$1.5 billion to \$2 billion. As recently announced on 2 August 2019, IGES has access to funding through both Structured Growth Capital Inc (“SGC”) (for a loan facility of US\$90 million) and Rabobank (€18 million loan facility specifically tied to operations). To complete the full list of projects, the Company will require additional funding via debt, equity, internal cashflows or a combination of those options. The board is in negotiations with multiple parties to secure the required funding and will update the market as these negotiations become material in nature.

### **Australia**

On 9 August 2019, The Council of Australian Governments (COAG) meeting was held in Cairns. The COAG is the peak intergovernmental forum in Australia. The members of COAG are the Prime Minister, state and territory First Ministers and the President of the Australian Local Government Association (ALGA). The Prime Minister chairs COAG.

A brief summary of the COAG as it effects the shareholders of IGES is as follows:

- Last financial year, Australia exported close to 4.5 million tonnes of waste overseas — mainly to Asian nations — at a cost of about \$2.8 billion to state and territory budgets.
- Australia only recycles 12 per cent of plastics, with the rest going into landfill.
- Australia will work towards banning recyclable waste being exported overseas, after a meeting of state, territory and federal leaders in Cairns.
- The ban will not be immediate, with all levels of governments giving their environment ministers the role of figuring out a timeframe for plastics, paper, metals and glass to be taken out of the broader waste system.
  - (Source: ABC News, Matthew Doran and Jade Macmillan, 9 Aug 2019)

The COAG initiatives in relation to waste are of such importance as in recent months, countries such as China, Malaysia and Indonesia have moved to ban developed countries sending contaminated rubbish in their direction.

Mr Morrison underscored this initiative by stating post conference:

"It's our waste, and it's our responsibility,"

"That's why I think setting a clear path forward as leaders — that we don't want to see this going into the ocean, that we don't want to see this go into waterways, and we'll do everything in our remit to achieve that goal — is a very important outcome."

This initiative by Mr Morrison is of significance to the Company as it will pave a way for IGES to establish a facility in Australia. The Company will update shareholders as this initiative takes effect in Australia and our options become more tangible.

### **About IGES**

IGES is focused on creating a cleaner planet for the next generation through the conversion of end of life plastic into valuable fuels. Plastic used in the process would otherwise be sent to landfill or be discarded into the environment. The Company has a patented plastic to fuels process that results in a range of fuels and products, including EN590 (Road Ready Diesel), EN228 (Road Ready Petrol), Naphtha, Marine fuel and Marine Diesel Oil (MDO). The specific products we provide from our range are determined by the territory requirements for each individual site location. The Company believes that utilising its technology will inevitably reduce the amount of plastic entering the environment. It will also help to develop circular economies, thereby creating a cleaner planet for the next generation, while bringing value to shareholders.

### **FOR FURTHER INFORMATION CONTACT:**

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