
PEARL SIGNS 5 YEAR OFFTAKE AGREEMENT WITH LEADING ASPHALT GROUP

01 April 2020

Pearl Global Limited (ASX: PG1) (Pearl or the Company) is pleased to advise that it has signed a five year offtake agreement with Aussee Road Services Pty Ltd (Aussee) to supply Pearl's fuels and carbon char products to Aussee's asphalt production process. Aussee is located in Yatala Queensland, approximately 5km from Pearl's facility in Stapylton.

The material terms of the agreement are as follows:

- Due diligence period of 3 months, where the parties will work together to test, prove and ramp up supply of the products
- Fuel and carbon sales pricing is a contracted price ex works. The products will be used domestically by Aussee, which will provide Pearl a premium compared to its international sales
- The life of the agreement is five years, with orders placed by Aussee each calendar month. Due to the seasonal nature of its business Aussee may elect not to purchase in certain months, however after the due diligence period Pearl and Aussee will meet and discuss revised forecast requirements and monthly commitments
- Estimated ultimate quantities required by Aussee are up to 10,000 tonnes per annum of Pearl's raw fuels and up to 7,000 tonnes per annum of Pearl's carbon char
- Pearl will sell its asphalt products exclusively to Aussee in Queensland but is not limited from selling its products to other industries or geographies.

The ultimate demand from Aussee would support production from six TDU's. Pearl's site at Stapylton currently has two units and a third is planned. The site has capacity for six units. With this underlying offtake agreement, Pearl is well positioned to expand towards additional TDU's over time.

Managing Director Mr Andrew Drennan said that, *"this is a big forward order. The volume Aussee requires is impressive. It will allow Pearl to maximise its site in Stapylton and having an ex-works agreement will allow us to streamline our site activities."*

About Aussee Road Services

Aussee Road Services Pty Ltd (Aussee) is a Joint Venture between See Group of Queensland and Austek Asphalt Services Pty Ltd. See Group has three key businesses being civil construction and engineering services, quarry solutions, and integrated concrete solutions. Each See Group business exists to play a key role in delivering the civil construction and materials needs of their projects, creating complete construction solutions for their clients.

The role of Aussee is to provide support to Queensland's infrastructure projects through provision of asphalt and ancillary services to the northern Gold Coast and Brisbane region.

The role of Pearl will be to provide high volumes of its raw fuels and carbons to Aussee in a form suitable for the company to utilise in the manufacturing of asphalt.

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Aussee Road Services new asphalt plant 30th March 2020 Source: Company

About the Asphalt Market in Australia

According to the Australian Asphalt Pavement Association, asphalt production in Australia is estimated at 10 million metric tonnes per annum and there are 120 asphalt plants across Australia.

The Australian economy places a huge reliance on its road infrastructure and it is considered essential to continued economic growth.

The Asphalt Institute in a recent industry magazine is quoted as stating *"like many modern economies, Australian road authorities and contractors are actively looking for opportunities to minimise the impacts of their operations on the environment. As a consequence, particular focus is being paid to increased utilisation of recyclable materials and production methods which reduce carbon footprint."*

About the Agreement

General Manager of Aussee Road Services, Mr David Simmons said that, *"I am unsure there could be a better alignment of interests in striking this agreement with Pearl. The supply agreement allows Pearl to grow their business model and supply to a local operation in the next suburb. Aussee and the environment both benefit as we collectively fully utilise reclaimed materials instead of using up valuable virgin resources, and in turn reducing greatly the carbon footprint. The Queensland community and the Queensland Government ultimately wins, because what we will achieve is to take Queenslanders waste tyres and utilise them for the provision of asphalt services for Queensland's major road projects and infrastructure."*

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Mr Gary Foster, Chairman of Pearl Global said that, *“we are excited to be able to support Aussee in this project. Since beginning discussions with the Aussee team back in November 2019, there has been a common focus, which is to ensure that this partnership can provide the multiple benefits of economic, environmental and social gains across Queensland. This is an exciting development.”*

Authorised by:
Gary Foster
Chairman

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About Pearl Global Limited

Pearl Global Limited (Pearl) (ASX:PG1) is a revolutionary tyre processing company that applies unique, next-generation thermal desorption technology to cleanly convert tyres into valuable secondary products. Pearl has Australia’s first environmental approvals for the thermal treatment of rubber, and is in the process of commissioning its first commercial scale production plant in Stapylton, Queensland.

Pearl’s technology is a significant advancement on other methods of processing waste tyres because it has low emissions, no hazardous by-products, requires no chemical intervention and is the only process that meets the standard emissions criteria set by the Australian regulators for this type of technology.

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