
FURTHER INFORMATION ON OFFTAKE AGREEMENT WITH ASPHALT GROUP

2 April 2020

Further to the announcement released 1 April 2020 regarding 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, Pearl Global Limited (ASX: PG1) (Pearl or the Company) provides additional information regarding the agreement.

The material terms of the agreement are as follows:

- The life of the agreement is five years commencing from 1 May 2020.
- During the first three months, Pearl and Aussee will work together to test, prove and ramp up supply of the products. After this three-month period the parties will discuss revised forecast requirements based on the due diligence investigations. Assuming success during the due diligence period, Aussee has anticipated that they will require during the term of the agreement:
 - 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.
- Orders are to be 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 estimated monthly commitments and Pearls anticipated production to meet demand for the product.
- The agreement does not provide for a minimum quantity of product to be supplied either monthly or annually.
- 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 fuel sales.
- Pearl will sell its asphalt products exclusively to Aussee in Queensland and Northern New South Wales but is not limited from selling its products to other industries or geographies.

The amount that would actually be supplied to Aussee is dependent on Pearls' production capacity. 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 for completion in the coming months. The site has capacity for six units. With this underlying offtake agreement and after successful completion of the due diligence period, Pearl is well positioned to expand towards six TDU's at the existing Stapylton site over time.

Based on current levels of fuels and char produced, the agreement would provide approximately \$1.2 million of revenue per annum. If Pearl was to supply the maximum product anticipated, the Aussee agreement would provide revenue of approximately \$5.1 million per annum. These estimates do not include the other revenue streams of the Pearl business including the sale of recycled steel and the collection fee received on waste tyres used in the recycling process.

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Authorised by:
Gary Foster
Chairman

Further information, please contact:
Investors – Gary Foster gf@pearlglobal.com.au
Website – <https://www.pearl-global.com.au>

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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