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ASX: IGE

IGES strengthens its position in China:

Execution of Joint Venture Agreement in Hong Kong

- **Joint Venture Agreement Signed: Hong Kong Telford Envirotech Group Limited**
 - **Investment: \$US 3 million to establish a new Joint Venture Company**
- **Option to acquire 30% equity in one of Hong Kong's largest waste aggregators**
 - **Capacity: 200 tonne per day waste plastics to road ready fuel by end 2019**
 - **Production: 70 million litres per annum at a margin of \$0.30 a litre.**

Overview

The directors of Integrated Green Energy Solutions Ltd ("**IGES**" or "**the Company**") are pleased to announce that the Company has executed a Joint Venture Agreement ("**JVA**") with Hong Kong based recycling company Hong Kong Telford Envirotech Group Limited ("**Telford**"). The purpose of the JVA is to facilitate the design, construction and operation of a 200 tonne per day waste plastics to fuel facility in Hong Kong, with an estimated production capacity of 70 million litres per annum at a margin of \$0.30 a litre.

Joint Venture Company: IGE Hong Kong

IGES will hold a 70% equity stake in the Joint Venture Company ("**JVC**") trading as IGE Hong Kong. With this IGES will control 3 seats of the 5-seat board, including the Chairman. IGES will control the appointment of all key management personnel.

Status Report

Telford are well progressed in preliminary work to establish the proposed facility and have secured approval from the Environmental Protection Department of Hong Kong ("**EPD**") to lease a site in EcoPark. EcoPark is a Hong Kong Government owned project developed exclusively for waste recycling and environmental engineering projects. In addition to the site, Telford offer IGES access to suitable feedstock for its process, knowledge of the local industry, a working history with the EPD and real estate experience. Telford already hold leased properties in the EcoPark to facilitate the operation of their other waste businesses.

The Transaction:

As part of the transaction, IGES is to pay a fee of US\$3 million to Telford in 3 tranches:

- US\$500,000 upon execution of the agreement;
- US\$500,000 upon execution of the long-term site Telford has secured; and
- upon acceptance from the EPD and related government bodies for the facility, a final US\$2,000,000.

Supply Chain Integration

As part of the agreement, IGES will have the option to acquire 30% equity in Telford. This move would see IGES moving up the supply chain into the area of waste aggregation: a move that would further assist IGES in capturing its necessary feedstock requirements.

This initiative will be explored as the companies develop their working relationship and IGES gathers more information regarding Telford's operations in Hong Kong. As the project develops the directors of IGES will consider the benefits of this strategic move and its advantage for shareholders.

Funding

It is anticipated that debt funding will be utilised to fund IGES's contributions under this agreement.

On the basis of the above contractual commitments, with EPD approval expected in early 2019, it is estimated that construction will be complete and the plant commissioned in the fourth quarter of the 2019 calendar year.

About IGES

IGES is a company focussed on converting waste plastic that is destined for landfill or discarded into the environment, into valuable road ready fuels. The company has a patented waste plastic to fuels process that results in output that meets the EN590 standard. The company believes that utilising its technology will inevitably reduce the amount of plastic entering the environment. It will also help to create circular economies, serving to provide a cleaner planet for the next generation while bringing value to shareholders.

FOR FURTHER INFORMATION CONTACT:

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