



26 November 2019

ASX: IGE

## **Company Updates**

- **Amsterdam Commissioning**
- **Funding**
- **Offtake Strategic Initiative**

### **Amsterdam commissioning**

As detailed in the announcements on 23 October 2019 and 1 November 2019, Integrated Green Energy Solutions Ltd (“IGE” or “the Company”) made a request to the Amsterdam Competent Authority (“CA”) to approve a commissioning plan that would see IGE produce 5000 litres of fuel in November 2019. The CA has now responded to the comprehensive commissioning plan submitted and this response was reviewed by a senior Company executive during a site visit. His report was submitted upon his return to Australia today and it has now been considered by the IGE Directors. The following actions have been identified:

- Board approval to execute a streamlined commission plan to reach 100 TPD
- Revised project plan reviewed and approved by Structured Growth Capital Inc (“SGC”) with funding to be locked in for the December cycle.

### **Permit Status**

The CA advised that following their approval of the permit revisions (announced on 23 October 2019) and subject to the conclusion of a six-week appeal period on 6 December 2019, we are able to proceed with processing at a capacity of 100 tonnes per day. That is, the CA is satisfied with our proposal for full-scale production and we can proceed on that basis.

### **Response from CA Regarding Commissioning Plan**

In response to the comprehensive commissioning plan submitted to the CA, IGE received a positive response that stated that the Company is permitted to proceed with the proposed commissioning programme submitted, subject to a caveat of further protections and subsequent testing and approvals from the CA.

### **Actions Identified with Respect to Commissioning Based on CA Response**

The IGE Board has reviewed the detailed caveats placed on the proposed commissioning programme and the time and cost involved to implement the specified temporary measures required by the CA. After a detailed cost benefit review based on the CA requirements, the Company has determined that the production of even small amounts of fuel during commissioning would require the investment of significant unrecoverable time and monies. Therefore, the IGE Board has determined that the quickest and safest path to significant positive operating cashflow and to gain the maximum benefit of a stream-line commissioning phase is to by-pass the production of small-scale fuel volumes and focus on escalating to full

scale production. An overriding consideration will always be conducting all activities under the necessary safety measures.

### **Project Plan Time-Frame**

After consideration of the CA input and appropriate discussions, it has been determined that based on the testing already complete as well as our detailed planning, documentation and safety measures, we are now well-positioned to complete construction and move straight to a 3-month ramp-up phase. That is, notwithstanding the additional CA restrictions regarding interim fuel production, we will progress to fuel production via the processing of 100 tonnes per day of plastic in quarter one of the 2020 calendar year. This aligns with the time-frame announced on 30 August 2019 and further referred to in the Director's Report released as part of the Annual Report to Shareholders on 1 November 2019.

### **Funding Update**

The production of small-scale fuel production under the proposed commissioning plan was presented to SGC on their recent visit to the Amsterdam facility. It was assumed that the Amsterdam facility would have produced the small-scale fuel production proposed and with this SGC would implement our contracted debt funding program. The extent of the CA restrictions on small-scale fuel production during the testing phase were not anticipated by IGE or SGC and both agreed that to implement the additional CA protection and related measures would be counterproductive to the project and the Company. This realisation required both parties to agree and approve our revised project plan, focusing on the complete construction and move to a full 100 TPD 3-month ramp-up phase. As a result of these discussions, SGC did not authorise our expenditures last week and the international transfers were temporarily suspended. Cleared funds were therefore not available for payments. However, as a clear reflection of the commitment to funding this project SGC has now confirmed a funding schedule to commence in December 2019 with all international transfers reinstated.

### **Offtake Strategic Initiative**

The Board has agreed to embark on an initiative to seek alternatives to best realise the financial benefits from its output of road ready fuels. To achieve this result the Board has committed to allocate resource to a committee to review alternatives associated with the forming of a strategic partnership with a leading global oil company.

It is deemed prudent to commit resources to this initiative as it is clear from recent trends that global oil companies are becoming increasingly interested in alternative fuel sources. Such a partnership may involve an equity position as well as a global off take arrangement.

The scope of the objective is to review options surrounding forming an entity to license, build and operate end of life plastic to fuels plants with initial production focus on naphtha and EN590 diesel plants with the potential future expansion to other fuel products and chemicals including but not limited to gasoline, kerosene, jet and marine fuels. As part of a proposed partnership IGES would look to having a global offtake arrangement with a preferred oil company on an arms-length basis.

The benefits of this initiative have been identified as:

- Allow IGES to focus on the business of executing its global roll out plan
- Partner with a recognised global offtake company who will offer a guarantee take and pay solution.
- Allow IGES to have a sustainable and predictable cash flow from a financially strong partner who has the experience and know how to maximise the revenue position from the IGES product mix.

IGE will continue to keep the market informed in accordance with its continuous disclosure obligations.

### **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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