

ASX Announcement

28 November 2019

Kollakorn to commence development of our State-of-the-Art Waste Conversion Technology - appoints World-Class Engineering Partner

The Directors of Kollakorn Corporation Limited (ASX: KKL) are extremely pleased to announce that, with our technology partner BCF Global Pty Ltd (BCF), the Company has taken a significant step in our smart city's strategy our focus on waste conversion. After intense pre-development work over the last 12 months, we are accelerating our strategy and our mission to achieve zero waste and a landfill-free future.

Stemming from our iSity Global acquisition, we have now established Kollakorn Environmental Services, whose objective is to maximise resource recovery through the reuse and recycling of waste materials and to create clean, renewable energy and fuels.

With our technology partner BCF, we have engaged Advisian, a division of Worley Limited (ASX: WOR), (previously Worley Parsons), a globally based, world-leading Engineering, Procurement and Construction Company (EPC). Advisian will undertake a Pre-FEED Feasibility Study, and then prepare a detailed FEED Proposal for a Commercial, Demonstration, and Research and Development Facility for managing Municipal Solid Waste (MSW). Successful completion of the Study and Proposal will lead to the construction of an up to 200,000 Tonne Per Annum Facility.

Advisian will assist us in developing and designing the project, verifying and pricing out the proposed process, and completing the technology selection, and through additional agreements with Worley affiliates, potentially construct and operate the project.

Kollakorn is developing the project based on proprietary technology from our technology partner BCF, to produce a solid renewable fuel product (in a granulated form) which will be converted to syngas using further proprietary pyrolysis technology. This renewable syngas is intended to be used to demonstrate the ability to produce commercial quantities of diesel, bio-jet fuel, and hydrogen from a mix of municipal solid waste, non-recyclable plastics, and biomass.

Pre- FEED is a Preliminary FEED (Front End Engineering and Design) phase that is a predefined design package to prove the feasibility of a project in technical and economic terms. It is used as the basis for the FEED Proposal, which is subsequently

the more detailed engineering and cost analysis, and supports the final investment decision. We anticipate that both these processes may take approximately 10 to 12 months to complete.

Pre-FEED is the first critical step in developing what we refer to as a Total Recovery Facility (TRF). The TRF will be able to process all forms of MSW. After removal of valuable recyclables, the MSW will be converted into a re-engineered fuel feedstock that provides clean, renewable energy to our chosen pyrolysis processes. Our patented technology heats, shreds, mixes and compresses the waste into high energy engineered fuel. The fuel comes out of the machine with 5-7% moisture, a very high calorific content, completely sterile, with no dust or odour, and easily converted into renewable diesel, electricity, and potentially hydrogen. For this first Total Recovery Facility, we will be producing renewable diesel, and also using the facility to perform R&D activities based on developing the most efficient MSW feedstock mix, MSW feedstock yields, and the production of hydrogen.

Our technology does not rely on incineration or other polluting technologies to create renewable energy. All waste streams are converted to clean renewable energy and contain no dioxins, no furans, no polluted water, no residuals and no ground pollution. There is next to no need for any dumping of waste into landfill, and all this is done with next to zero emissions.

Charles Hunting, Director of Kollakorn, said: “We commenced this journey over three years ago. I know people ask why it has taken so long. The investments to make this technology economically feasible are very large. Hence, with our technology partners and advisers, we took the time to ensure we would be able to create the best solution globally for waste conversion”.

David Matthews, CEO of Kollakorn, expressed his excitement by stating: "Over the last two years the Board has pursued a smart cities strategy as the entry point to waste conversion. The Company has consistently referred to waste conversion as an enormous opportunity for us. With this initial application of the BCF technology in Australia, fully supported by a world-leading engineering and construction company in Worley Limited, we have demonstrated the enormous value this strategy will have for our shareholders.”

Riad Tayeh
Chairman