



11 June 2020

ASX: IGE

## **US Funding and Project Update**

The Directors of Integrated Green Energy Solutions Ltd (“IGES” or “the Company”) are pleased to provide shareholders with the following funding and project update related to the GEP Fuel and Energy Indiana LLC (“GEP”) project located in Camden, Indiana, USA.

### **GEP Funding Update**

GEP have restated their commitment to fully funding the Indiana auto shredder residue (“ASR”) to road ready fuel project which by default will fund IGES in June, 2020. The Indiana ASR project is being developed via the entity Integrated Green Partners LLC (“IGP”), which is jointly owned (50/50) by GEP and IGES.

The President of GEP, Mr Stephen Hogan has advised that he and GEP are *“100% confident of getting the full US\$300 million in funding required to build the 1200 TPD [tonnes per day] facility at Camden [Indiana]”*. Specifically, he has advised today that IGES will *“be paid US\$7.5 million from the first instalment received”* and that *“I [Mr Stephen Hogan] would forecast cleared funds to be available for IGES on or before the end of June 2020.”*

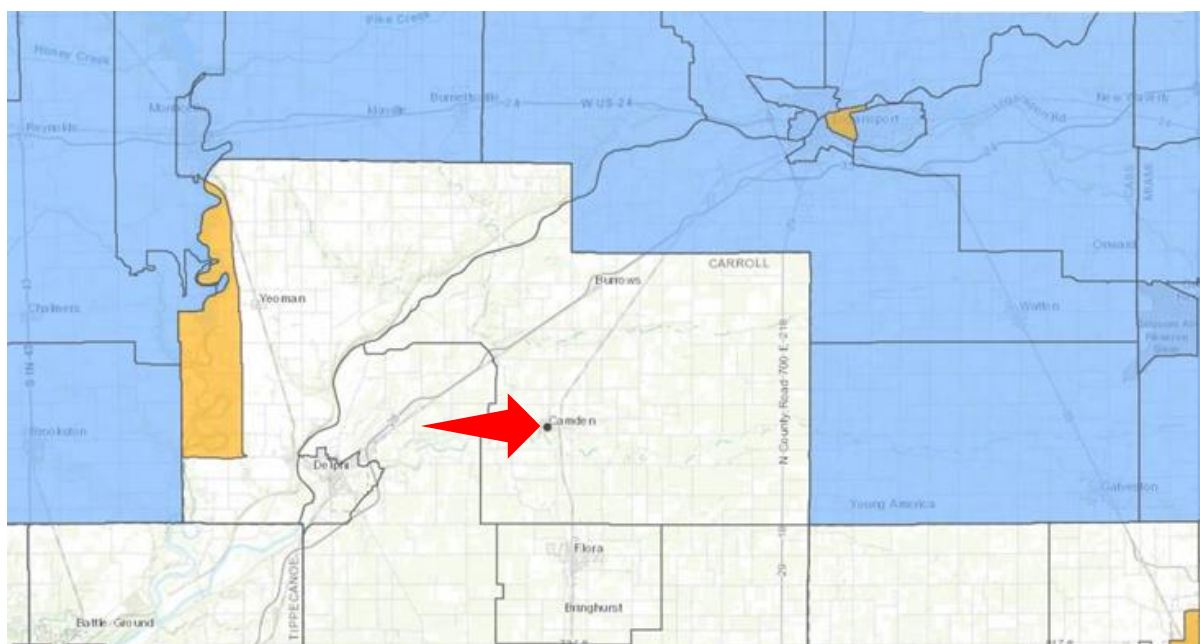
GEP, also commented on the inevitability of the recent delays encountered during 2020 and gave a detailed explanation of the factors that have slowed the flow of funding and made it even more difficult to accurately forecast cash flow funding dates: *“The issues of Covid-19 continue to place real obstacles and speed humps in the place of getting business back on track in the US. While recent job numbers show a slight improvement the unemployment rate remains in excess of 13%. This is a reflection of the layoffs that many companies, including financial institutions, have been forced to action. The skeleton staffs that remain are faced with additional workflows caused from a financially distressed system with people having to work in disconnected environments experienced by the necessity of work from home directives. This real observable factor along with the general economic hibernation that the US is only now beginning to recover from has meant that things are simply moving at a significantly slower pace than was the case pre Covid-19.”*

Notwithstanding the recent business and economic issues, Mr Hogan maintained his and GEPs commitment to the 30 June forecast based on the fact that the *“US is committed to reopening”* and the *“financial markets are becoming stronger”* with the S&P and Dow within 8% of their February highs and the oil price returning to normality at a current bench-mark of close to US\$40 per barrel and *“forecasts beyond US\$50 per barrel being heard.”*

IGES values its business partnership with GEP. On the basis of the information received from GEP and the real potential to exploit the IGES technology via IGP, IGES remains committed to the Camden, Indiana ASR project.

The Company wishes to advise it will not make any further announcements regarding the expected timing of funding for Camden or payments from GEP until the initial payment of US\$7.5 million has been received by IGES.

## IGP Project Update



*TEA map showing location of proposed Camden facility*

There are a number of infrastructure projects being considered for the Camden area that auger well for the construction of the IGP facility. Investment in highways, rail hubs and associated infrastructure being considered by third parties, though independent of the IGP project will act as facilitators to both the construction and operation of the Camden Indiana facility.

Concurrently, GEP has continued, during this development phase to leverage advantages of the site chosen. As can be seen in the above *Targeted Employment Area Map* (“TEA map”), the Camden area is largely a rural area and therefore represents a strong likelihood of securing TEA designation, as has been achieved in the surrounding areas. A TEA designation, if secured, will provide a significant discount to the investment levels required, as it will mean IGP qualifies as an EB-5 investor and therefore green cards for key personnel deployed from the IGES international network will be facilitated and thus the flexibility of resource utilisation will be improved. Qualifying for the TEA designation also assists with one of the risks identified with respect to undertaking a project in a rural area of gaining access to the appropriately skilled staff on a timely basis. That is, the TEA designation necessarily means an increase in the pool of talent available to IGP and thus facilitates efficient and cost-effective construction and operations.

## IGP Project and IGES Funds

The payment to IGES of US\$7.5 million for module construction forms a critical part of the Camden, Indiana ASR project. As previously disclosed, this US\$7.5 million payment is an initial payment related to the agreed value for the purchase of 24 modules to be utilised at the IGP site in Camden, Indiana. At an IGP board meeting held in December 2019 it was agreed that the 24 modules total value is US\$70 million. It was further resolved to make an up-front payment totalling US\$39.6 million. The initial US\$7.5 million is payable now and the balance of the up-front component of US\$32.1 million is due on or before Monday 24 August 2020. The final instalment of the module instalment is US\$30.4 million and is due 30 days after delivery of the modules.

### Structured Growth Capital Inc (“SGC”) Funding Update

The Company wishes to advise it will not make any further announcements regarding the expected timing of funding from SGC until the initial tranche of funding has been received by IGES.

### **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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*This announcement is authorised for release to the ASX by the Board of IGES.*