



ASX Announcement

23 November 2020

Business Update – Synertec’s LNG Custody Transfer System (CTS) Technology

Highlights

- **Synertec executes Memorandum of Understanding (MoU) with major independent owner of LNG carriers to collaborate on design and deployment of Synertec’s patent-pending low pressure LNG sampling system for marine application**
- **The project will expedite commercialisation of Synertec’s patent-pending Custody Transfer System (CTS), which based on modelling is shaping as a world-leading technology in marine LNG Custody Transfer Systems**

Melbourne, Australia: Engineering product and solution provider, Synertec Corporation Limited (ASX: SOP, “Synertec” or “the Company”) is pleased to provide an update regarding progress in the Company’s Technology Design and Development business, in particular the advancements in its LNG Custody Transfer System.

Strategic background: commercialising innovative and scalable technology

In line with Synertec’s stated strategy to pursue innovative and scalable energy-related technologies and solutions, the Company is positioned to leverage an immediate global growth opportunity to commercialise a portfolio of highly prospective energy technologies.

Synertec focuses its technology design and development activities on the global energy sector. Synertec is developing technologies that will increase the profitability of our partners while reducing our client’s environmental footprint. The Company has identified attractive global economic and environmental trends, including (but not limited to) the growth in demand for floating LNG production and regassification and the replacement of polluting heavy bunker fuels traditionally used by marine vessels, as well as China’s part in accelerating the shale energy revolution.

These macro trends present growth opportunities which Synertec is uniquely positioned to capture given its extensive experience in Australia’s major LNG projects over the last decade. The Company’s lead product in LNG, the Synertec Custody Transfer System (CTS) has been further developed to incorporate features for marine application (under worldwide provisional patent application). Synertec’s track record in CTS demonstrates its solutions are proven to deliver material financial gains, superior accuracy and reliability to Synertec’s customers.

The Group has identified several potential new projects to target globally and, working together with its global marketing partner Trelleborg Group and their marine systems operation, anticipates that substantial revenue from this technology product could be derived via several different financial models which provide Synertec’s customers with a long term fully maintained solution to a critical piece of LNG and gas sampling and metering technology. It also provides access to crucial operational data and potential for greater analytics and optimisation of performance.

Partnership with major European-based shipowner and operator of LNG shipping and floating solutions to commercialise Synertec’s LNG CTS technology

Synertec is pleased to advise that the Company has entered into a MoU with one of the world’s largest providers of LNG shipping and floating solutions and services. The MoU formalises each Company’s intention to work together to design and deploy a low pressure LNG sampling system that produces no fugitive green-house gas emissions.



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In designing the system, the parties will leverage Synertec's experience in developing the CTS specifically to address sampling inaccuracy in low pressure LNG process line applications, which is typical in ship-to-ship LNG transfer scenarios. The project will yield an LNG sampling system fit for purpose on marinised applications.

Synertec's strategic alliance partner will provide inputs into the project design and technical information pertaining to the candidate vessel. Synertec will have responsibility for the design and coordination of class approval of the LNG Sampling System. Synertec Managing Director, Mr. Michael Carroll, commented:

"We are delighted to formalise our relationship with this highly strategic partner and look forward to working together to commercialise Synertec's LNG CTS technology. With significant planned industry spend on new and existing LNG facilities and transportation over the next decade, we see great prospects in this strategic niche, which we are well-placed to serve having delivered several highly successful LNG CTS projects across Australia's world-class LNG facilities."

"We see ourselves as still in the early stages of a global mega-trend in LNG, and very few, if any, businesses globally can provide the combination of systems, products and solutions of the quality which Synertec has delivered. Latest independent modelling of our low pressure CTS design have shown highly favourable results, even under challenging input conditions. This demonstrates that the Synertec CTS solutions can continue to offer world-leading accuracy in sampling results, well into the range that existing systems fail outright."

"With strong foundational relationships now in place with large global LNG and marine-related partners in Trelleborg Group, EffecTech and our new strategic partner announced today, we are building the CTS to ensure it can provide best-in-class results in all conditions, across a wide range of vessel types, while complying to all shipping class requirements. The Synertec CTS is shaping to become the world-leading technology in marine LNG Custody Transfer Systems."

About Synertec's strategic alliance partner

Synertec's strategic alliance partner is a leading global independent owner, operator and manager of LNG carriers and floating solutions providing support to many of the leading international energy companies and trading houses.

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This ASX announcement is authorised by the Directors of Synertec Corporation Limited (ASX:SOP).

About Synertec:

Synertec Corporation Ltd (ASX: SOP) provides mission-critical engineering products and solutions to complex, high-risk and highly regulated industries. The Company targets industry segments with high barriers to entry and high client reputational risk, including Pharmaceuticals, Critical Infrastructure, Oil & Gas, Water and Defence.

Synertec has delivered 24 years of growth and development as a multidisciplinary and integrated consulting business, delivering end-to-end proprietary engineering products and solutions which leverage the Company's ability to develop commercial intellectual property and technology through innovative partnerships with a portfolio of blue-chip customers.