

PEARL IMPROVES 5 YEAR SALES AGREEMENT WITH A MAJOR CUSTOMER - AUSSEE ROAD SERVICES

HIGHLIGHTS:

- Pearl executes a new and improved Sales Agreement with Aussee, a major customer for Pearl's tyre-derived fuel oil and carbon:
 - Higher pricing set to increase revenues
 - Agreement moves from exclusive to non-exclusive for the Queensland region, increasing competition within the asphalt sector for Pearl products and freeing up volumes to penetrate multiple markets and attract higher revenues
 - 5 year term remains in place effective from 23 February 2021
- Provides model to continue to support national growth opportunities
- Pearl and Aussee commit to market "Zeroad™", Aussee's recently-launched product that uses Pearl's fuels and carbons to make a "greener" asphalt

Environmental technology company Pearl Global Limited (**ASX: PG1, Pearl or the Company**) is pleased to advise that the Company has signed a new Sales Agreement with Aussee Road Services Pty Ltd (Aussee). This replaces and improves upon the Agreement which Pearl first announced to the ASX on 1 April 2020.

Given the success of Pearl's tyre derived fuel oil and recovered carbon black (rCB) used in asphalt manufacturing with Aussee, Pearl is in advanced discussions with a number of entities across multiple industries for the supply of its cleanly converted products from used tyres. The non-exclusive nature of the Agreement has allowed Pearl to expand its sales pipeline to good effect, allowing for a multi sector domestic approach, which reduces business risk and allows for an increases in production and broadens the scope for Pearl to sell its tyre derived fuel oil and rCB within Australia.

Pearl's tyre derived fuel oil and carbon help to meet the Environmental, Social and Governance (ESG) initiatives which are critical to manufacturers. For example, asphalt tender applications are increasingly being weighted to recognise the use of recycled products over virgin resources. This makes all asphalt producers increasingly potential customers for Pearl's products.

The material changes to the terms of the Agreement previously announced are as follows:

Material Term	Previous Term	New Term
Length of Agreement	5 Years from 1 May 2020	5 years from 23 Feb 2021
Exclusivity	Exclusivity for Queensland/northern NSW for asphalt use	Non-exclusive. Pearl to sell into multiple sectors
Volume Commitments	Up to 10,000 tonnes/yr fuels Up to 7,000 tonnes/yr of rCB	Up to 5,000 tonnes/yr fuels Up to 3,000 tonnes/yr of rCB

Product pricing is confidential but production from Pearl's existing 3 TDUs will be used to fulfill the Aussee sale agreement and if supplying the maximum quantities under the contract, Pearl can earn approximately \$2.8 million p.a for the 5 years of the Agreement. As was the case previously, there is no minimum quantity to be supplied and consequently no guaranteed revenue under the Agreement. However, during 2020 Aussee made specific upgrades to its plant at Yatala to be able to use Pearl's fuel oils and rCB in its production process and has been using the Pearl products in production of its asphalt. Aussee made this commitment as they recognized the considerable financial and environmental value of using Pearl's cleanly converted products.

Pearl is in the process of increasing its capacity at its site at Stapylton, Queensland and has the ability to supply any excess monthly production to other asphalt producers such as Stanley Roads (announcement 14 October 2020) and product from additional TDUs has the potential to be sold to over 100 asphalt sites in Australia as well as other markets being evaluated such as mining explosives and the cement industry.

The Company is pleased with the outcome of negotiations with Aussee, and both parties are keen to promote the environmental benefits of Pearl's products in asphalt and bitumen. The parties have seen encouraging early sales activity for Zeroad™ since the new product was announced to the ASX on 14 October 2020, and are jointly committed to its commercialisation.



Image 1: Pearl's fuels in use as alternative energy at Aussee's asphalt plant based in Yatala, QLD.

This initiative is expected to increase Pearl's reach in the market well beyond Queensland, as national groups come to understand the significant and superior financial and environmental benefits that Pearl's products bring to asphalt manufacturing.

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About Pearl Global Limited

Pearl Global Limited (Pearl) (ASX: PG1) is a revolutionary tyre processing company that applies unique, next-generation thermal desorption technology to cleanly convert tyres into valuable secondary products including waste to energy opportunities. Pearl holds Australia's first environmental approvals for the thermal treatment of rubber and is in commercial production at its facility in Stapylton, Queensland.

Pearl's technology is a significant advancement on other methods of processing waste tyres because it has low emissions, no hazardous by-products, requires no chemical intervention and is the only process that meets the standard emissions criteria set by the Australian regulators for this type of technology.