

# Progress on renewable diesel venture

30 September 2021



## Highlights

- **Renewable diesel produced by Carnarvon's preferred technology now tested in Australia**
- **Results demonstrate the renewable diesel has a lower emissions profile than petroleum diesel**
- **Unsolicited interest from parties to purchase this renewable diesel has been encouraging**
- **The biorefinery will also promote regional economic development and build fuel security**

Carnarvon Petroleum Limited ("Carnarvon") (ASX: CVN) is pleased to update the market on the progress of its biorefinery joint venture ("JV") with its partner Frontier Impact Group ("FIG").

The JV organised for renewable diesel, produced by a refinery using Carnarvon and Frontier Impact Group's preferred technology, to be tested this month in Australia.

The results show the renewable diesel produces less emissions than petroleum diesel and other biofuels due to a higher cetane rating resulting in lower nitrous oxide, carbon monoxide and particulate matter emissions.

The JV is currently working to secure its feedstock supply in Western Australia with several MoUs having been signed with suppliers for waste woody biomass feedstock. The JV is also awaiting the outcome of tender and EOI processes for feedstock, which are being managed through the WA Forest Products Commission.

Low-quality or waste biomass such as ecological thinning and timber construction waste otherwise destined for landfill or burning is also being sourced for the project. The quality of renewable diesel produced from this feedstock is largely unaffected by the quality and type of woody biomass used. Demand for biomass can potentially provide new markets for residue and other feedstocks, which for a range of reasons are not utilised and go to waste.

The first biorefinery project is progressing with Front End Engineering Design ("FEED") expected to commence next month. In the meantime, detailed site assessments are being undertaken to determine the initial biorefinery location.

During construction and through operations, the biorefinery will promote economic growth in regional Western Australia. The project also has the potential to displace up to 170,000 tonnes of carbon emissions annually, with the opportunity to create a carbon negative project.

The planned biorefinery is expected to be the first in Australia to produce renewable diesel at commercial scale. It is anticipated to produce around 18 million litres/year (equivalent to fuelling 9,850 diesel vehicles/year) and provide fuel security for Western Australia.

The JV proponents are already actively looking to seed additional biorefineries to support building production capacity and create a substantial market position in this sector.

**Carnarvon Managing Director and CEO, Mr Adrian Cook, said:**

*“Renewable diesel and its refining process is proven to significantly reduce carbon emissions, which is why Carnarvon is investing in world-leading biorefinery technology right here in Western Australia.*

*As a process cycle, we are looking at every opportunity to produce our renewable diesel in a manner that delivers a net carbon neutral outcome and have identified opportunities where the project could actually become carbon negative.*

*Recent testing conducted in Australia shows that the renewable diesel that we’re working to produce will have a lower emissions profile than petroleum diesel, further enhancing the environmental benefits for this product.*

*Our practical customer focused approach has already created unsolicited in-bound interest for the JV’s renewable diesel product and has us focused on maturing this venture as quickly as possible.*

*We are also focused with our partner on the potential to build this business to scale. We believe there is a strong opportunity to create significant value incrementally overtime with FIG and additional partners capable of supporting the future funding of these production facilities.”*

Approved by

A handwritten signature in black ink, appearing to read 'AC', representing Adrian Cook.

**Adrian Cook**

Managing Director  
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