



ASX RELEASE

8 March 2022

Expands into LNG Sector with new \$2m contract to supply AC Pellets

- **Contract signed for the supply of Activated Carbon Pellets ('AC Pellets') to the Liquefied Natural Gas ('LNG') industry via a contract with Univar Solutions valued at \$2 million**
- **Pellets to be manufactured and supplied initially from Arden Hills facility in 1HFY23 with the planned Kentucky facility to support supply once it is operational**
- **Marks the entry of Carbonxt entry into the large and lucrative LNG sector with the United States set to become largest LNG producer in 2022**
- **Pipeline of customers and opportunities in new sectors continues to grow and expand – annualised recurring revenue is now \$27 million from AC Pellets and Powders**

United States focused Cleantech company **Carbonxt Group Ltd (ASX:CG1)** ("**Carbonxt**" or "**the Company**") is pleased to report that it has secured a contract valued at \$2 million to supply its Activated Carbon ('AC') pellets to Univar Solutions USA, Inc, a leading chemical products supplier who in turn are supplying the pellets to their customers in the LNG industry. The contract is initially for a one year term, with a view to longer term arrangements still under discussion, which will be the subject of a future announcement when finalised.

The AC pellets will be manufactured and supplied from the Company's Arden Hills facility in Minnesota as well as from the proposed manufacturing facility in Kentucky once it is fully operational. Carbonxt's patented AC pellets will be deployed to capture a range of harmful pollutants resulting from the liquefaction/regasification process.

The contract marks the Company's first entry into the large LNG sector through this contract with Univar, significantly expanding the Company's addressable market into an industry not previously serviced. It reflects the continual strengthening and diversification of Carbonxt's customer base who are seeking to reduce emissions and pollutants from their manufacturing and processing activities.

The LNG sector is a large and unique opportunity for Carbonxt. There are approximately 189 onshore and floating liquification and regasification terminals globally, with several facilities currently under construction or approved to be constructedⁱ. By 2025 global production is expected to reach ~450 million tonnes per annum, up 23% from 2020 levelsⁱⁱ (*refer image 1*). In 2022 the US is set to surpass Australia and Qatar to become the world's largest LNG exporter and is expected to remain number one for years to comeⁱⁱⁱ (*refer image 2*). With such a large increase in production the need to accelerate the decarbonisation of the sector has recently intensified.

Carbonxt's innovative AC pellets provide a new solution to significantly reduce emissions via the removal of hydrocarbons within the sector. As a more sustainable power generation technology than coal and other fossil fuels, recent estimates of the LNG sectors carbon footprint have increased. While existing efforts and technologies such as carbon capture and storage, electrifying existing infrastructure, hydrogen blending and carbon offsetting are in place, the deployment of Carbonxt's technology through Univar is set to provide LNG facilities with another tool to further decarbonise their operations.



Comment

Managing Director Warren Murphy said: “Carbonxt’s entry into the LNG sector through this contract with Univar is a significant development for the Company. This is a very large addressable market in an industry where the need for technologies to meet sustainability and decarbonisation goals is growing rapidly. I expect our first deployment to act as a valuable reference point to other participants in the industry and display the benefits of our AC pellet technology in removing harmful toxins from the operations at LNG facilities. With an increase in demand from additional new sectors and the permit for our Kentucky facility due in the near term, we remain in a strong position to scale up operations and deliver further value to our shareholders.”

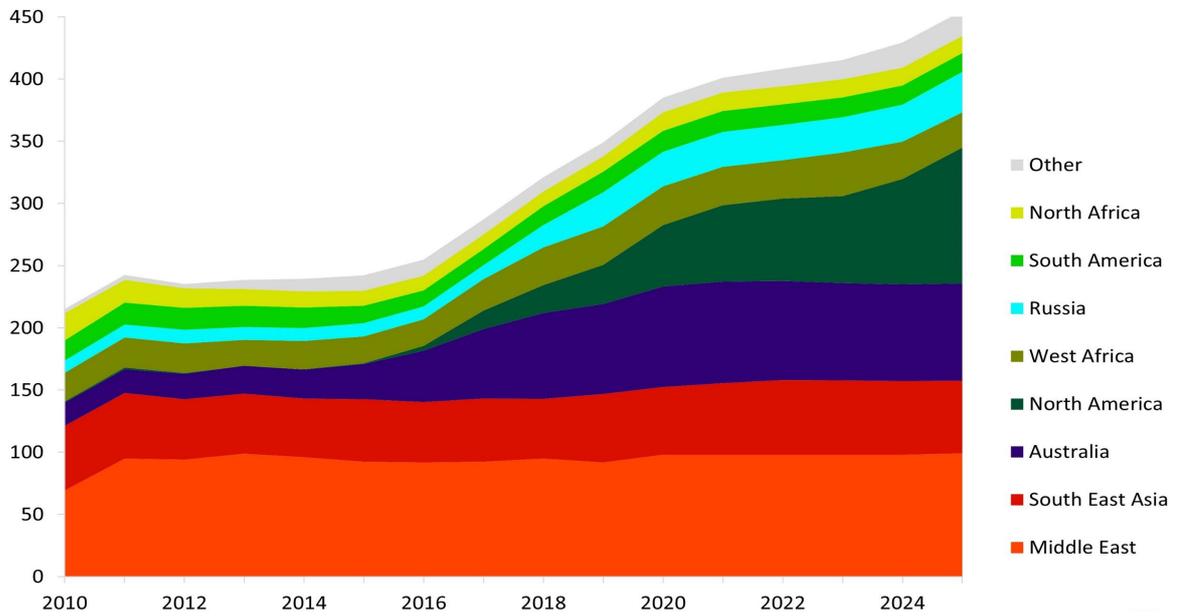


Figure 1: Global LNG supply by region (million tonnes per annum)^{iv}

● United States ● Australia ● Qatar



Note: 2021 and 2022 figures are estimates

Sources: U.S. EIA, International Gas Union, Goldman Sachs



Figure 2: Top three global LNG exporters (2015 – 2022)

This announcement has been authorised for release to ASX by the Board of Directors of Carbonxt Group Limited.

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About Carbonxt

Carbonxt (ASX:CG1) is a cleantech company that develops, and markets specialised Activated Carbon products, focused on the capture of contaminants in industrial processes that emit substantial amounts of harmful pollutants. The Company produces and manufactures Powdered Activated Carbon and Activated Carbon pellets for use in industrial air purification, wastewater treatment and other liquid and gas phase markets.

i <https://giignl.org/document/giignl-2020-annual-report/>

ii <https://www.bloomberg.com/professional/blog/global-lng-outlook-2021-25-overview/>

iii <https://www.reuters.com/business/energy/us-be-worlds-biggest-lng-exporter-2022-2021-12-21/>

iv <https://www.rystadenergy.com/newsevents/news/newsletters/EandP/north-america-to-drive-global-lng-supply-growth/>