



1 October 2019

ASX: IGE

Positive Results from Amsterdam Site Inspection by Funders

- **Funders Complete Site Inspection with Positive Feedback**
- **Funders review suppliers and their technology and confirm full compliance**
- **Structure of loan package confirmed**

Amsterdam Site Inspection by Funders

Further to our latest loan facility update on 2 August 2019 and the Amsterdam project report on 30 August 2019, the Directors of Integrated Green Energy Solutions Ltd (“IGES” or “the Company”) are pleased to update the market on its progress with Structured Growth Capital, Inc (“SGC”) and the funding draw-down. Following completion of the funding package, the President of SGC, Mr Brian Engel, attended the Amsterdam site on 26 September and 27 September 2019 to undertake an audit of the funding package components and in particular, review the status of the site work, confirm the project schedule and verify this by meetings with management as well as major suppliers. These meetings with major suppliers also allowed Mr Engel to provide an update directly to suppliers regarding SGC’s involvement and proposed schedule.

Key items reviewed by Mr Engel during his site visit related to ensuring full compliance in the areas of permitting, environmental protection and site safety, included:

- ADR- safe road transport of goods
- CE Marking-safety compliance required for all machinery
- ATEX directive-regarding potentially explosive materials and conditions
- PED- As required under the Pressure Equipment Regulations (1999)
- Waste Directive- As approved by the Dutch Competent Authority
- Restricted site access-CCTV terrain and process
- Central control room procedures
- Permit to work system
- Hazard and Operability Study (HAZOP)
- Risk Inventory and Evaluation (RI&E)
- Fire detection and repression

As part of his review of environmental protection, Mr Engel also undertook a review of various technical aspects of the technology utilised by IGES, including the Near-InfraRed (“NIR”) technology (refer below).

Mr Engel stated: *“I have undertaken an extensive review of the project and I am very pleased with the progress made in all areas reviewed, including permitting, environmental protection and site safety. These particular areas are very important to SGC as a responsible corporate citizen. I also note that the key suppliers I met with are experts in their areas of specialisation*

and represent excellent business partners. The quality of the work and the level of compliance achieved by the management team confirms that they have a strong team working diligently on the project. This bodes well for the success of the Amsterdam project and future sites built by IGES. Based on the detailed information gathered during my site inspection, it is anticipated that the final necessary compliance measures to satisfy SGC's due diligence check-list will be completed by 16 October 2019. At this juncture, there will be a 14-day window to release funds to IGES and therefore the initial draw-down of funds is expected to reach the IGES bank account on 30 October 2019.

SGC is very proud to be supporting such a well-run operation and playing a role in the positive environmental impact made possible by the IGES technology."

Additional Technology Reviewed by SGC as Part of Environmental Protection Inspection

A key way to ensure the site remains safe is to ensure that only approved, required materials are processed, with no impurities. As part of the SGC review, this safety mechanism was reviewed by Mr Engel in terms of the process, technology and the supplier.

To achieve compliance in this area, high-volume NIR technology feed-stock processing equipment will be installed across the IGES sites. This equipment is supplied by the major European recycling solutions company: Bollegraaf Recycling Machinery B.V. ("Bollegraaf"). Bollegraaf design end integrate the system. The build of the relevant equipment for Amsterdam has been largely completed by our supplier and is currently stored off-site at a Bollegraaf warehouse.

The Bollegraaf system sorts and separates plastics during the final stages of a waste sorting process. Materials selection only requires the touch of a button, and ranges from PET, HDPE, LDPE, PVC, PS and PP to Tetra Pak, OCC or paper of various shapes and sizes. The IGES requirement is to extract PVC and Teflon from the final plastic feedstock received from our contracted feedstock partner, Paro Amsterdam B.V. ("Paro").

Mr Engel reviewed the design and observed that the system is placed on top of existing sort lines with very minimal retrofit costs and plant time lost. Detection and characterisation is conducted via near-infrared technology and height detection. The system can sort intermittently or continuously, regardless of working conditions on site, and requires minimal supervision and little maintenance. The system's flexibility allows us to change material waste streams, so we can adapt to, for instance, changes in product mix received from Paro.



Bollegraaf equipment specific to the Amsterdam site

Mr Engel further stated: “IGES has made a shrewd decision by selecting a Bollegraaf system given its low energy consumption and the cost savings on manual labour. By partnering with Bollegraaf, IGES is ensuring a safe, secure, efficient site in the short term and also looking to build a strategic partnership in the longer term. This is exactly the type of decision-making we look for at SGC as we undertake due diligence on a business.”

Use and Structure of the SGC Loan

During his time in Amsterdam, Mr Engel also confirmed the fundamental components of the agreed loan funding remain unchanged. That is, as previously disclosed:

- The term of the loan is 15 years from the date of initial funding;
- Repayments are to be made commencing 15 months from the date of the initial funding;
- The interest rate payable is 8.5% per annum;
- IGES is also required to pay an origination fee equal to US\$1,750,000 (which will be deducted from the first tranche);
- IGES will provide SGC with 2% non-dilutive preferred shares of the Amsterdam project, fully vested upon completion of the \$90m being funded; and
- IGES has placed US\$1,500,000 on escrow as a precondition to SGC providing this funding.

An item discussed during the site visit, was the practical steps to be undertaken and the approvals required to achieve the allotment of the non-dilutive preferred shares to SGC and the specific rights to be attached to those preferred shares. The details related to the issuance of these preferred shares are currently being finalised.

(A) Site Inspection by President of SGC



(A) Trevor Thompson, Sander van Velzen and Stuart Clark from IGES and Brian Engel from SGC during the SGC site inspection on 26 September 2019.

(B) Meeting with Director of Ijbouw



(B) Brian Engel (SGC), Stuart Clark (IGES) and Martin Eman (Ijbouw) following their discussions on 27 September 2019

(C) Meeting with CFO of Bollegraaf



(C) Brian Engel (SGC), Xander Ferdinandusse and Stuart Clark (IGES) following their discussions on 27 September 2019

It was agreed that the SGC funding would be used to purchase and develop the Northampton site (UK), other UK sites and the Prachinburi site in Thailand. Both Northampton and Prachinburi have respectively achieved a two hundred tonne per day Environmental Approval for the construction and operation of a site to produce 70 million litres per annum of road ready fuel.

Mr Engel said:

“I am proud to be involved with IGES as it embarks on its global expansion. SGC has approved site developments in the UK and Thailand and I look forward to working with IGES in other jurisdictions as the Company continues to grow”.

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:

Joshua Herbertson, Company Secretary +61(0) 438 771 846