

6 December 2023

Clean TeQ Water Achieves Practical Completion of HIROX[®] Water Recovery Plant in Middle East

MELBOURNE, Australia – Clean TeQ Water Limited ('Clean TeQ Water' or 'Company') (ASX: CNQ & OTCQX: CNQQF) is pleased to announce it has completed the design, procurement, delivery, installation, and commissioning of the HIROX[®] (High Recovery Reverse Osmosis) plant to treat well water used for enhanced oil recovery in the Middle East.

Practical completion on this \$4.3M contract, which included supplementary charges for spares, installation, and supervision, triggers the immediate milestone payment of \$371,000, followed by the final payment of \$742,000, which is due in 60 days.

This milestone marks the first commercial completion of HIROX[®] technology in the Middle East, establishing a foundation for future revenue generation through the Distribution Agreement with NESR under its Build, Own, and Operate model.



Picture of the completed HIROX[®] Plant in the Middle East

The contract for the delivery of this project, signed in August 2021¹ with National Energy Services Reunited Corp ('NESR'), is the first treatment plant to be delivered as part of the 5-year Distribution agreement between NESR and the Company. NESR is one of the largest oilfield services providers in the MENA (Middle East and North Africa) and Asia Pacific regions.

Freshwater is a critical resource in the Middle East with much of the freshwater produced from brackish, hard groundwater using conventional reverse osmosis processes. The challenge is how to improve the low water recovery, since typically less than 40% is recovered using the conventional approach, and the remaining 60% goes to waste.

Clean TeQ Water's HIROX[®] technology is designed to provide high water recovery in these situations, typically greater than 80%, while minimising waste brine volume. This more efficient use of groundwater is critical to the future needs of the oil and gas industry, agriculture and the population reliant on groundwater for drinking.

The Enhanced Oil Recovery (EOR) process requires high density water to be injected into the reservoir to displace oil and increase the production of the wells. The conventional approach involves buying salt, trucking it to site, and mixing it with the treated water to achieve the required density. As an added benefit for the customer, HIROX[®] recovers salt from the brine, replacing the need for imported salt to achieve the desired water density for reinjection. The environmental credentials are also improved by substantially reducing the number of truck trips, which currently generate over 10,000 tons of CO2e offsets per year. These benefits lead to significant cost savings in operational expenses for end-users while simultaneously decreasing the environmental footprint of the Enhanced Oil Recovery (EOR) process.

Clean TeQ Water CEO, Peter Voigt, stated *"The global challenge of freshwater scarcity is prompting a substantial transformation in the water treatment industry, as it strives to develop sustainable approaches for optimising water production. New technologies such as HIROX[®] aim to enhance the recovery of larger volumes of purified water, and HIROX[®] has produced extraordinary water recovery in this project without the use of bulk imported chemicals. Clean TeQ always strives to use its technology to deliver outcomes which are both economical and environmentally beneficial to our customers. We also thank our partner in the project, NESR, for recognising the benefits the HIROX[®] technology could deliver and for working alongside us over the journey."*

The first HIROX[®] plant is an important reference site which demonstrates the higher water recovery achieved by the technology and its improved ESG outcomes. The completion of the plant will allow NESR to advance discussions with potential customers who are interested in using the technology for their sites.

¹[ASX Announcement of 13 August 2021](#)

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This announcement is authorised for release to the market by the Board of Directors of Clean TeQ Water Limited.

About Clean TeQ Water Limited (ASX: CNQ & OTCQX: CNQFC) – Clean TeQ Water is a global technology leader headquartered in Melbourne, Australia, specialising in providing economic and environmentally sustainable solutions to address critical issues related to freshwater scarcity, mine tailings, and metal recovery. While the company has traditionally implemented projects using the engineering, procurement, and construction (EPC) approach, there is a strategic shift towards projects that generate annuity income or equity through technology license agreements to provide a more sustainable and long-term business model. Clean TeQ Water's core markets include water and wastewater recycling, lithium production, and the remining and rehabilitation of mine tailings. These markets reflect a commitment to addressing environmental challenges and promoting responsible resource management. The company has a presence in various locations, with offices in Melbourne, Perth, Darwin, Leeuwarden (Netherlands), Beijing, and Tianjin. Additionally, Clean TeQ Water has established partnerships in Africa and Latin America, showcasing its commitment to addressing global challenges and collaborating with stakeholders on an international level.

For more information about Clean TeQ Water please visit www.cleanteqwater.com.

FORWARD-LOOKING STATEMENTS

Certain statements in this news release constitute “forward-looking statements” or “forward-looking information” within the meaning of applicable securities laws. Such statements involve known and unknown risks, uncertainties and other factors, which may cause actual results, performance or achievements of the Company or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or information. Such statements can be identified using words such as “may”, “would”, “could”, “will”, “intend”, “expect”, “believe”, “plan”, “anticipate”, “estimate”, “scheduled”, “forecast”, “predict” and other similar terminology, or state that certain actions, events or results “may”, “could”, “would”, “might” or “will” be taken, occur or be achieved. These statements reflect the Company’s current expectations regarding future events, performance, and results, and speak only as of the date of this new release.

Statements in this news release that constitute forward-looking statements or information include, but are not limited to, statements regarding: the effectiveness and cost effectiveness of Clean TeQ Water’s proprietary water treatment processes and the potential for the Company to expand its sales of water treatment plants. Readers are cautioned that actual results may vary from those presented. All such forward-looking information and statements are based on certain assumptions and analyses made by Clean TeQ Water’s management in light of their experience and perception of historical trends, current conditions and expected future developments, as well as other factors management believe are appropriate in the circumstances. These statements, however, are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those projected in the forward-looking information or statements including, but not limited to, unexpected changes in laws, rules or regulations, or their enforcement by applicable authorities; the failure of parties to contracts to perform as agreed; changes in commodity prices; unexpected failure or inadequacy of infrastructure, or delays in the development of infrastructure, and the failure of exploration programs or other studies to deliver anticipated results or results that would justify and support continued studies, development or operations.

Readers are cautioned not to place undue reliance on forward-looking information or statements.

Although the forward-looking statements contained in this news release are based upon what management of the Company believes are reasonable assumptions, the Company cannot assure investors that actual results will be consistent with these forward-looking statements. These forward-looking statements are made as of the date of this news release and are expressly qualified in their entirety by this cautionary statement. Subject to applicable securities laws, the Company does not assume any obligation to update or revise the forward-looking statements contained herein to reflect events or circumstances occurring after the date of this news release.