

PEARL SIGNS 5-YEAR OFFTAKE AGREEMENT WITH STANLEY, DIVERSIFYING SALES OF TYRE-DERIVED FUEL OIL

HIGHLIGHTS:

- Pearl signs 5-year Offtake Agreement with Stanley Macadam Pty Ltd – a major Queensland based asphalt producer and road construction group.
- Supply of the maximum quantities of fuel oil and recovered carbon black under the contract should see Pearl earn approximately \$2.5 million in revenue over the contract's duration.
- Pearl's tyre-derived fuel oil provides Stanley with a locally sourced economic and environmentally advantageous fuel supply.
- Agreement expands on Pearl's established position as a supplier of sustainable products to Australia's growing infrastructure market.

Environmental technology and infrastructure company Pearl Global Limited (**ASX: PG1, Pearl or the Company**) advises that the Company has signed a new Sales Offtake Agreement with Stanley Macadam Pty Ltd.

Stanley Macadam (Stanley) is a major Queensland based asphalt producer and road construction group with a history covering 50 years. Stanley is dedicated to sustainability, the reduction of waste, reusing materials and using recycled products as key focus areas of their business.



Image 1: Stanley Asphalt Production Facility – Queensland Source: Company

Pearl has identified the growing Australian infrastructure sector and the asphalt industry as key target markets for its products. As asphalt production takes both carbon and large quantities of fuel for heating, Pearl is able to sell a broad segment of its product suite to asphalt customers.

The processing of used tyres with Pearl's thermal desorption technology produces both fuel oil and recovered carbon black. The fuel oil can be substituted for diesel, and the recovered carbon black is added to the asphalt, enhancing its performance.

Making use of fuel oil and recovered carbon black from processed tyres is not only economically advantageous for asphalt producers, it is also environmentally sustainable.

Environmental, Social and Governance (ESG) criteria are increasingly important for asphalt manufacturers as they bid for contracts with government. Pearl's tyre-derived fuel oil and carbon help companies to meet the ESG initiatives which are critical for 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 potential customers for Pearl's products.

Pearl's initial entry as a supplier to the asphalt market was through a 5-year Offtake Agreement with Aussee Road Services, announced to the ASX on 1 April 2020 and 15 March 2021. The early sales success of Pearl's tyre derived fuel oil and recovered carbon black used in asphalt manufacturing with Aussee has provided a strong platform for Pearl to secure its second long term fuel oil Offtake Agreement with Stanley.

Pearl Global Executive Chairman, Mr. Gary Foster, said:

"We are delighted to further develop our relationship with Stanley through this 5-year Offtake Agreement. This is the second agreement of its type that we have secured over the past year, and it underpins our objective of acquiring diverse long-term domestic customers for our products. As this Agreement sees Pearl taking Queensland's used tyres and cleanly converting them for use in the state's infrastructure projects, we are pleased to play a role in encouraging environmentally sustainable economic development."

The Company anticipated completing the Stanley Macadam deal in December 2020, but due to external factors unrelated to Pearl such as specialized project based expertise and required technical verifications along with confirmation of product compatibility, completion took longer than anticipated. The delay has led to lower overall fuel volumes being sold in the March quarter than first estimated.

Product pricing is commercial in confidence, but production from Pearl's three existing thermal desorption units will be used to fulfill the Sale Agreement, and if supplying the maximum quantities under the contract, Pearl can earn approximately \$2.5 million over the life of the Agreement. There is no minimum quantity to be supplied and consequently no guaranteed revenue under the Agreement. The Company is pleased to note that during 2020 and early 2021, Stanley extensively tested Pearl's fuel oils and subsequently made specific changes to its plant located in Ipswich, Queensland, to facilitate the use of Pearl's fuel oils in Stanley's production process.

The Company is pleased with the outcome of negotiations with Stanley, and both parties are keen to promote the environmental benefits of Pearl's products in asphalt and bitumen.

Authorised by:
Gary Foster
Chairman

For further information, please contact:
Investors – info@pearlglobal.com.au
Website – <https://www.pearlglobal.com.au>

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.