

## Pearl Global Ltd Operations Update

### Highlights

- **Successful commissioning of 24/7 operations**
- **Intellectual Property acquisition from Keshi Technologies in advanced discussions**
- **Pearl co-founders to convert cash royalties into options**
- **Carbon Char Sales: Advancement in coal replacement product**

Pearl Global Limited (**Pearl**) (ASX:PG1) provides the following updates to shareholders.

### Successful Commissioning of 24/7 Operations

Pearl has successfully completed its final testing and verification process for its 24/7 operations.

Throughout the week of 22 October 2018, the plant at Stapylton ran on a continuous basis processing tyres and producing each of the four primary offtake products: Fuel, Carbon char, Steel, and Gas.

The fuel has been sold and is being delivered to Pearl's Malaysian buyers. The Carbon char is currently being pelletised in preparation for transport offsite to potential domestic industrial energy users. The steel has been sold to local steel recyclers.

The commissioning proved the full operation of the site, demonstrating the expected and planned scalability and replicability of the Pearl Global operating business model.

Having successfully proven the site operations, the next stage is to move to permanent continuous operations, with the addition of appropriate site operators. Hiring is currently underway.

### Acquisition of Key Intellectual Property (IP)

As set out in the Company's relisting prospectus (*ASX Announcement 21 August 2017*), Pearl currently holds the perpetual exclusive worldwide rights to use and exploit IP owned by Keshi Technologies Pty Ltd (**Keshi**) which underpins Pearl's operations.

Pearl is in advanced discussions with Keshi to negotiate the terms of the acquisition of the IP by Pearl in consideration for shares in Pearl and has engaged accountancy and consulting firm Nexia Perth Corporate Finance Pty Ltd to prepare an Independent Expert's Report in relation to the acquisition.

The acquisition will be subject to shareholder approval.

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## Cash Royalties

Pearl's co-founders Gary Foster and Andrew Drennan have jointly agreed to convert their current cash royalties which form part of their performance package, and will become payable by Pearl from February 2019, into options as part of a new share option incentive scheme to be aligned with the success and performance of Pearl's business.

The terms of the share option incentive scheme are currently being designed and will also be subject to shareholder approval.

## Carbon Char Sales: Advancement in coal replacement product

The Company has received carbon char pelletising equipment and produced pellets.

The off-the-shelf pelletiser converts carbon char from a powder to a pelletised form as demonstrated below in the images. The pellets are to be used as an energy source for industrial boiler units and biomass fired electricity generation companies. The pellets produced by Pearl are recognised as a higher quality energy source than coal. Pearl will shortly begin to provide its carbon char product to domestic suppliers for bulk trials.



Carbon char produced by Pearl – source Company



Pelletised carbon pellets – source Company

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## 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. Pearl has Australia's first and only environmental approvals for the thermal treatment of rubber, and is in the process of commissioning its first commercial scale production plant 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.*

*Tyres are not naturally degradable, with tyre fires<sup>1</sup> and pollution<sup>2</sup> becoming major causes for concern, Governments are increasingly seeking solutions for dealing with waste tyres, and Pearl's technology provides a clean solution to this global problem.*

**Further information, please contact:**

**Investors** – Cameron Low, Cadmon Advisory, [cameron@cadmon.com.au](mailto:cameron@cadmon.com.au)

**Media** – [info@pearl-global.com.au](mailto:info@pearl-global.com.au)

**Website** – <https://www.pearl-global.com.au>

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<sup>1</sup> Tyre fires a major hazard [ABC News 28 June 2017 re Tyre Fire Rocklea](#)

<sup>2</sup> A global pollution problem [Report on tyre recycling and California smog problem](#)