

Operations Review for June 2018 Quarter

Highlights during the Quarter

- **New thermal oxidiser was installed and commissioned**
- **Independent health exposure report confirmed a safe and healthy work environment**
- **Entered into non-exclusive supply agreement with Australian Tyre Processors Pty Ltd**
- **Became first processor of its kind to receive accreditation for its production facility from Tyre Stewardship Australia**

Pearl Global Limited (Pearl) (ASX:PG1), a revolutionary tyre processing company that is advancing rapidly towards commercial scale production, provides the market a review of activities for the June 2018 quarter.

Over the last quarter, Pearl has focused on advancing its operations to commercialisation which has included the following activities.

Thermal Oxidiser Received and Commissioned

In early April 2018, Pearl invested in a new thermal oxidiser to enhance production capacity and pollution control. Pearl's thermal oxidiser was built specifically to customised specifications in order to aid in the safety of operations. *(ASX Announcement, 16 April 2018.)*

Health Exposure Report

Pearl successfully completed an independent health exposure audit by HazTek Pty Ltd, to confirm a safe and healthy work environment for site operators and employees.

Whilst the site was operational, HazTek hygienists assessed exposure limits of shredded tyre dust, carbon black, occupational noise, Polycyclic Aromatic Hydrocarbons (PAH's), volatile organic compounds and gases such as carbon monoxide and hydrogen sulphide. The results of the report reinforces that Pearl's systems and processes are a world first in the tyre processing industry. *(ASX Announcement, 16 April 2018.)*

Supply Agreement with Australian Tyre Processors Pty Ltd

At the beginning of May, Pearl entered into a non-exclusive supply agreement with Australian Tyre Processors Pty Ltd for off the road (OTR) tyre trading and logistics. One of the biggest challenges in the tyre processing industry is disposing of large OTR tyres. The supplier is sourcing OTR tyres and shredding them to a suitable size for Pearl operations, from which Pearl receives a minimum gate fee of \$75 per ton. *(ASX Announcement, 16 May 2018.)*

TSA Accreditation

At the end of May, Pearl received accreditation from Tyre Stewardship Australia (TSA) for its unique recycling processes, becoming the first tyre recycling company to receive such accreditation. The TSA was initiated by the Federal Government to create sustainable solutions for end-of-life tyres as well as minimise environment, health and safety impacts.

Post June 2018 announcements

Capricorn Society Ltd increases investment

In early July 2018 Capricorn Society Ltd, Australia's largest automotive co-operative, committed to increase their strategic investment in Pearl by a further A\$1.75 million at 23 cents per share. Concurrently, 350,000 shares were issued to Clarte Business Advisory in relation to the Capricorn investment, which was completed on 24 July 2018.

First Commercial Fuel Offtake Sales

In July, Pearl successfully completed its first commercial fuel offtake. This sale was a milestone for Pearl and was completed through its fuel oil broker Topmark Petroleum Products Sdn Bhd where 60 metric tonnes (MT) were sold at a gross price of A\$405/MT. Pearl's tyre-derived fuel is considered to be a strong and sustainable product in the market.

Pearl Global Chairman Mr Gary Foster said that *"The Company looks forward to the continuation of our commercialisation at the Staplyton plant as we continue to advance discussions with regard further offtake agreements as well as other commercial and strategic partnerships."*

Pearl will continue to keep the market updated on its activities.

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 Staplyton, 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 fires¹ and pollution² becoming major causes for concern. Governments are increasingly seeking solutions for dealing with the waste, and Pearl's technology provides a clean solution to this global problem.

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

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