

Operations update

Highlights

- Increase in tyres processed from 118 tonnes last quarter to 355 tonnes with corresponding increases in production of fuel oil, carbon char and steel
- Achieved commercial sales of all key products locally and internationally (fuels, steel and carbon char) with further international sales agreements and opportunities in place
- New market for fuel sales expected to produce higher financial margins
- First carbon char sales made demonstrating substantial market opportunity
- Pearl maintains its Tyre Stewardship Authority accreditation

Pearl Global Limited (**Pearl**) (ASX:PG1) provides the following review of activities for the March 2019 quarter to shareholders.

Quarterly production volume growth and gains in system efficiencies

Production gains in excess of 200% were made this quarter reflected in the chart below (Chart 1). An increase in volume throughput, systems improvement and operational efficiencies were realized as part of the ongoing attention to achieving scalable growth.

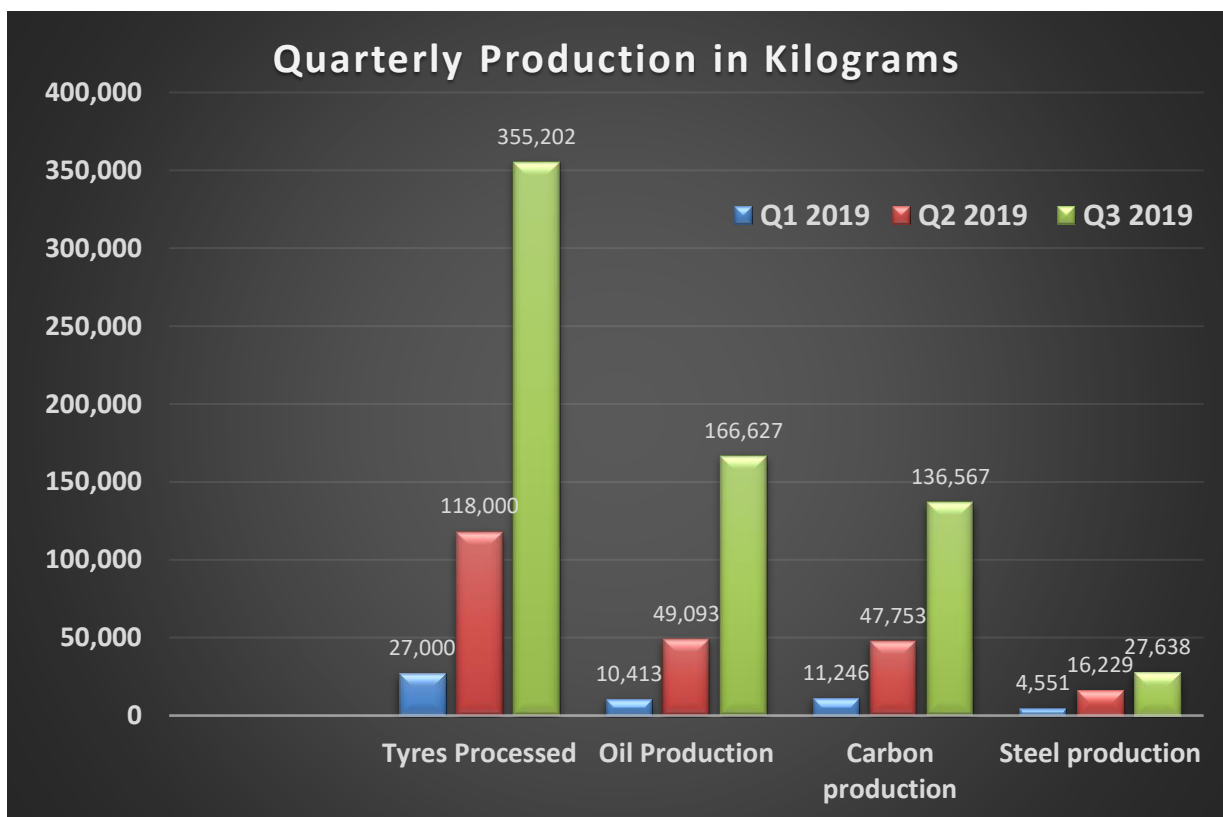


Chart 1: Source Pearl

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With more revenue to be realized from the sales of fuel and carbon char as opposed to steel, Pearl has worked with Australian Tyre Processors Pty Ltd (ATP), Pearl's supplier of shredded waste tyres, to better process the feedstock supplied to Pearl for its operations. Chart 2 below demonstrates a reduction in steel production of approximately 40%, allowing for gains in fuel and carbon char volumes (16.5% and 12.5% respectively).

Along with alterations in feedstock characteristics, Pearl has successfully increased its production rates of higher margin products by enhancing its operational processes. This will have a positive impact on revenue moving forward.

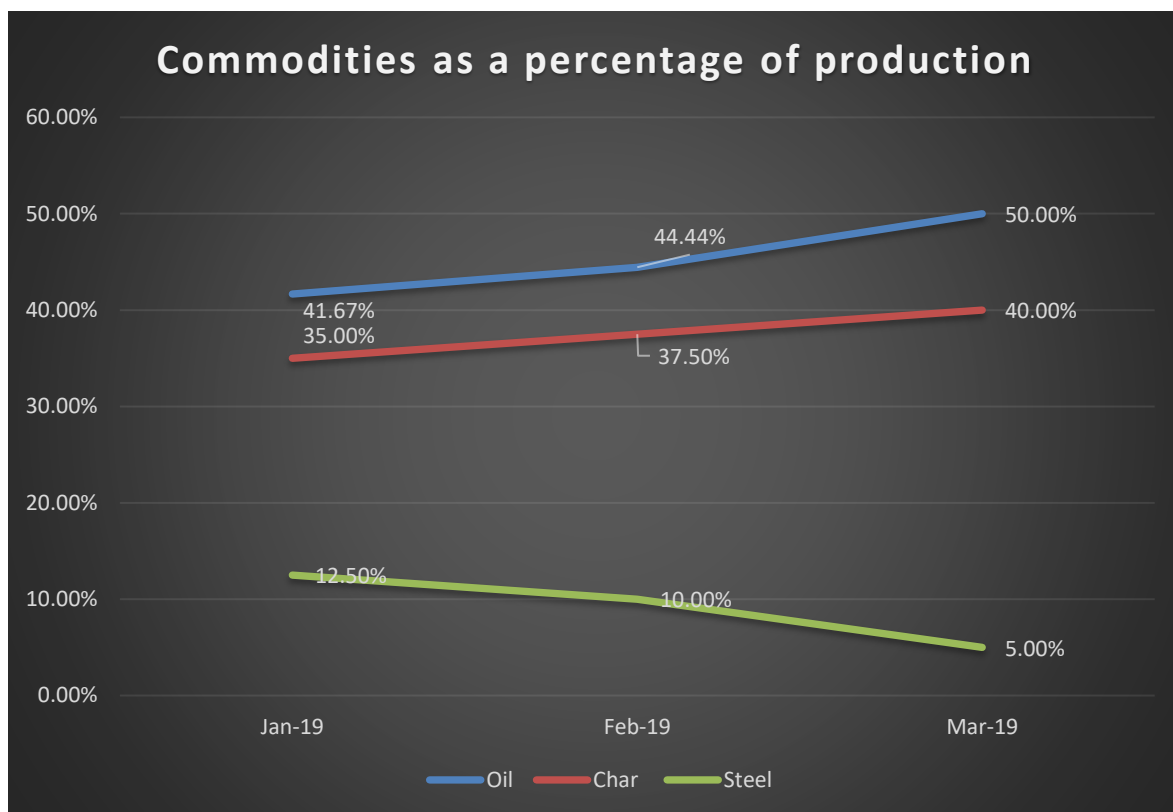


Chart 2: Source Pearl

New Fuel sales to produce higher financial margins

Pearl has successfully negotiated new sales contracts for its fuels using a new sales channel based in the Middle East, with distribution channels throughout Asia. Previously, Pearl had only one fuel customer, in Malaysia. The introduction of a wider range of customers has created better terms and margins for Pearl. Customers in this new sales channel have requested 500 tonnes of fuel per month as a standard order once Pearl is in a position to deliver such volume. To achieve this volume, Pearl would be processing approximately 1,000 tonnes per month. To attain this volume, 2 more tyre processing units (TDUs) (totaling 4) will be required at Pearl's existing facility in Stapylton, Queensland. Funding for the additional TDUs will be provided by the \$5 million capital raising strategy currently being undertaken by Pearl.

First carbon char sales completed

Pearl has successfully completed its first commercial sales of carbon char to be used as a sustainable replacement in a chemical bonding process. Whilst tonnages required are small to start, demand for the char has been requested at 50 tonnes per month, based on successful completion of the delivery and use of our first commercial sales.

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TSA extends Pearl's accreditation status

Pearl was recently audited at its Stapylton, Queensland facility by the Tyre Stewardship of Australia (TSA), following which TSA has extended Pearl's accreditation status in respect of its unique tyre recycling process.

Pearl looks forward to updating the market on further progress.

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 fires¹ and pollution² 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:

Company – Gary Foster, Pearl Global, gf@pearlglobal.com.au

Investors – Gernot Abl, Cadmon Advisory, gernot@cadmon.com.au

Media – info@pearl-global.com.au

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

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](#)