

Finalisation of Material Industrial Pellets Contract

- **The large contract secured from new client in the industrial pellets sector has been executed**
- **Two additional new customers**
- **Company on track to be cash flow positive in FY20**

Carbonxt Group Ltd (ASX:CG1) is pleased to announce that the letter of intent (LOI) with Purafil, Inc a US company specialising in air purification and referred to in the ASX announcement of 26 September 2019 has been fully documented and executed.

The contract is for three years, with an estimated A\$3.2 million of Activated Carbon Pellets ("ACP") to be purchased per annum. The minimum commitment is for A\$1.4m per annum.

Carbonxt Managing Director, Warren Murphy, commented:

"We are delighted to have finalised this contract, with an order for the minimum commitment amount already received. Production for this customer will start in November and we look forward to a long and successful relationship. The industrial pellets sector is a key target market for us and our pipeline continues to expand".

In addition to this contract signing, the Company has signed a further two contracts, one each for Powdered Activated Carbon and Activated Carbon Pellets, totalling a further \$0.6m per annum. It is pleasing to see two new customers contract with us.

The pipeline of activities continues to grow and several significant opportunities are progressing through the trial phase, particularly in the Activated Carbon Pellets segment. Our addressable market continues to expand as new opportunities are presented in markets not previously covered.

The Company remains on track to be cash flow positive in FY20.

About Purafil

Part of the broader Filtration Group, Purafil are a global leader in gas phase air filtration systems and engineered solutions designed to protect people, processes, and the environment.

About Activated Carbon Pellets

Activated Carbon Pellets are created by extruding activated carbon into cylindrical shaped pellets with diameters ranging from 1-9 mm. Their high activity and surface area are ideal for vapour and liquid phase industrial applications, and the uniformity of the pellets' shape makes it useful.

The primary global market drivers for ACP use include:

- meeting emission limits on certain organic compounds;
- recovering solvents across a wide range of industrial applications; and,
- reducing nuisance odours from solid waste and wastewater operations.



Activated Carbon Pellets are used in a multitude of industrial applications to remove contaminants. These include commercial building/kitchen air filtration systems, LNG solvent recovery units, paint spray booths, air filters in gas masks and respirators, landfills, sewage plants and petroleum refining.

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About Carbonxt

Carbonxt (ASX:CG1) is a cleantech company that develops and markets specialised Activated Carbon (AC) products, primarily focused on the capture of mercury and sulphur in industrial processes that emit substantial amounts of harmful air pollutants. The Company produces and manufactures Powdered Activated Carbon and Activated Carbon pellets for use in industrial air purification, waste water treatment and other liquid and gas phase markets.