Carbonxt Group Limited. Level 12, 225 George Street, Sydney NSW 2000

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ASX RELEASE

Leading emissions solutions provider to the US coal-fired power station sector, Carbonxt Group Ltd, commences trading on the ASX.

Carbonxt Group Ltd., (ASX:CG1), (Carbonxt or 'the Company') is proud to announce the completion of its Initial Public Offering and will commence trading on the Australian Stock Exchange (ASX) today at 12pm.

The Carbonxt Group Ltd IPO saw the issue of 14.3 million shares at 70c to raise $10m in an Offer led by Shaw & Partners.

Highlights

- Environmental solutions company Carbonxt Group Ltd lists on the ASX after raising $10m via an IPO led by Shaw & Partners;
- Carbonxt's initial leading product is a proprietary Activated Carbon (AC) for use in coal fired power stations to remove mercury from station exhaust emissions;
- Carbonxt's solution is proven in the market place with FY18 Revenue from US power station customers forecast at A$8.9m, 134% growth over FY17;
- Bromine is a cause of serious corrosion inside power stations and Carbonxt believes its proprietary AC is the only high-performance 'non-brominated' product in the market;
- As set out in the Prospectus, some of the IPO proceeds will be used to move much of its AC production requirements 'in-house' using inexpensive feedstock, giving the company a very significant cost advantage. Construction of this facility has commenced and is proceeding in line with forecasts;
- Companies associated with Lang Walker will own 18.1% of Carbonxt post the IPO with Board & management holding 4.4%;
- On listing the company will have a market capitalisation of $51.5m, pro forma cash of $10.1m (as at 30 June 2017) and no debt.

About the Carbonxt technology

Carbonxt's core business is the production and sale of proprietary, powdered Activated Carbon (AC) products for the removal of pollutants and toxins such as mercury from industrial flue gas and waste water emissions. The company's current primary focus is the sale of AC to remove mercury from US coal fired power stations, which is a legal requirement under US regulations.

For the coal fired power station this powder is a consumable that it burns through on a daily basis. Carbonxt currently supplies multiple power stations with AC, particularly in the US Midwest and is in commercial trials with another five potential customers.

A key issue the power station industry is confronting is that the majority of AC products commercially available use a chemical from the halogen group of elements called bromine in their formulation. Bromine acts in a similar way to chlorine and it is the Company's contention that this may cause serious and costly corrosion issues inside power stations.

The production of a non-brominated AC is Carbonxt's key Intellectual Property, is covered by multiple patents and makes the company unique. Carbonxt's AC can also be engineered to suit the particular requirements of individual power plants.

Market Opportunity

There are over 400 coal fired power stations in the US. Control of the emission of mercury is regulated by the EPA under the Mercury and Air Toxic Standards (MATS) regulations. This mandates an approximate 90% reduction in mercury emissions. The demand for AC in the US is growing at about 9% pa and expected to be in excess of 500,000 tons per annum in 2020 i.e. a market size approaching $1bn per annum. The company's sales in FY17 were A$3.8m so the scope for growth is clear.

The key planks of Carbonxt's growth strategy are to (i) increase market share in the US AC mercury capture market with more utility clients; (ii) expand into other US emission control markets not governed by MATS and (iii) expand into new geographies.

Outlook

With the IPO process complete, the Company's focus will continue to be achieving the IPO prospectus forecasts which envisage 134% revenue growth in FY18 and profitability in 1HFY19. The Company's Managing Director, Warren Murphy commented:

"The market available for Carbonxt's solution is heading towards US$1bn in size and our product is at the cutting edge of what the power station market is looking for. With a clean balance sheet, the funds raised in the IPO will allow the Company to produce its patented AC product at a fraction of the cost of its competitors and augurs well for our future growth and profitability. We look forward to updating shareholders on future contract wins and expanding into new emission control markets and geographies".

For further information please contact:

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