

ASX Announcement

07 APRIL 2022

PARKWAY AWARDED MATERIAL CONTRACT (FEASIBILITY STUDY – iBC[®] TECHNOLOGY) BY SHELL

Parkway Corporate Limited (“**Parkway**” or the “**Company**”) (ASX: PWN) is pleased to advise that the Company has entered into a material contract with QGC Pty Limited (a Shell Group company¹), one of Australia’s leading natural gas producers (“**QGC**”).

The material contract is based on Parkway² performing a range of evaluations and assessing the feasibility of treating waste brine derived from QGC’s coal seam gas water treatment plants (“**CSG Brine**”), using Parkway’s iBC[®] technology³ (“**Feasibility Study Contract**”).

Material Terms of the Feasibility Study Contract

- Parkway’s feasibility study related activities will primarily consist of iBC[®] based:
 - Process simulation & modelling
 - Process piloting activities
 - Process and project engineering activities
 - Technoeconomic analysis
 - Project management
- The scope of the Feasibility Study Contract has been structured to facilitate extensive collaboration between Parkway and QGC, ensuring productive and meaningful outcomes;
- The process piloting related activities to be performed by Parkway as part of the feasibility study, will also incorporate use of Parkway’s new scaled-up iBC[®] pilot plant, which is currently in the process of being constructed, and scheduled for mechanical completion in May 2022;
- Parkway’s feasibility study related activities will be supported by strategic partners, Worley (ASX: WOR) and Victoria University, with whom Parkway has long-standing relationships;
- Following completion of the investigatory activities, Parkway will prepare a report (“**Feasibility Study Report**”) for submission to QGC, outlining Parkway’s findings in relation to the feasibility study. The Feasibility Study Report is intended to support discussions between the parties in relation to what further steps the parties wish to take (if any), regarding the treatment of QGC’s CSG Brine using Parkway’s iBC[®] and potentially additional technologies;
- The term of the Feasibility Study Contract is for 12 months, with the primary deliverables, namely the Feasibility Study Report scheduled for completion approximately 36 weeks from the commencement date outlined in the Feasibility Study Contract (shortly after execution);
- In a series of scheduled milestone payments, Parkway will receive approximately \$615,000 (inclusive of GST) from QGC, in exchange for Parkway’s completion of the feasibility study;

¹ Additional information about QGC Pty Limited and the Shell Group is outlined in the *About Shell* section of this announcement and is provided for general information purposes only.

² The Feasibility Study Contract has been entered into through Parkway Process Solutions Pty Ltd (PPS), a wholly-owned subsidiary of Parkway.

³ The Integrated Brine Causticisation (iBC[®]) technology is a patented technology owned by Parkway Process Technologies Pty Ltd (PPT), a wholly-owned subsidiary of Parkway.

- Following extensive due-diligence, Parkway recently achieved approved vendor status within Shell's (being QGC's ultimate parent company) SAP Ariba global procurement platform, enabling the award of the Feasibility Study Contract to Parkway; and
- The terms of the Feasibility Study Contract were extensively negotiated between the parties, and reflected in a comprehensive agreement, prior to execution. The Feasibility Study Contract includes terms and conditions which are standard in a commercial agreement of its nature, including (amongst others) regarding mutual confidentiality and the protection of Parkway's intellectual property rights.

Potential Market Opportunity

In an ASX announcement released by the Company earlier today, titled *Parkway Developing Transformational Waste Brine Processing Solution for CSG Industry*, Parkway outlined the scale of the potential market opportunity for treating CSG Brine with the iBC® technology, as follows:

"...the Company considers that the brine processing and disposal related liabilities accruing to Queensland's major CSG operators (estimated to be up to \$9.2 billion for the currently operating CSG projects⁴), represents a directly addressable market for the iBC® technology, with no viable alternative pathway identified by industry to date."

Given the substantial wastewater treatment related investments made by QGC to date, QGC is considered the most advanced CSG operator in Australia, in terms of the extent of efforts made to concentrate CSG derived wastewater into CSG Brine. Parkway considers the award of the Feasibility Study Contract by QGC, to not only represent an important milestone for the Company, but also for the Australian CSG industry, as the findings of the feasibility study have the potential to transform what is considered to be the best available techniques (technology, BAT), for treating CSG Brine in Australia.

About Shell

Shell Plc ("**Shell**") is a global group of energy and petrochemicals companies with expertise in the exploration, production, refining and marketing of oil and natural gas, and the manufacturing and marketing of chemicals. Shell operates in more than 70 countries and uses advanced technologies and takes an innovative approach to help build a sustainable energy future. Shell also invests in power, including from low-carbon sources such as wind and solar; and new fuels for transport, such as advanced biofuels and hydrogen.

Shell is headquartered in London, where it is also listed on the London Stock Exchange (LSE: SHEL) with a market capitalisation in the order of £160 billion (A\$280 billion). During 2021, Shell generated group revenues of US\$261.5 billion, and invested US\$815 million into R&D related activities.

About QGC

Shell's QGC business is located in Queensland in Eastern Australia. QGC is one of Australia's leading natural gas producers, focused on developing Queensland's world-class onshore gas reserves.

QGC is a Shell-operated joint venture between Shell (73.75%), CNOOC (25%) and Tokyo Gas (1.25%).

Shell's CSG Interests in Australia

Shell's businesses in Australia are part of the Shell Group, a global group of energy and petrochemicals companies. In addition to its interest in QGC, Shell owns a 50% interest in Arrow Energy, a major gas producer which on 17 April 2020 made a final investment decision to develop the first phase of the \$10 billion Surat Basin CSG project.

Additional information about Shell & QGC:

<https://www.shell.com.au/about-us.html>

⁴ Estimates based on evaluations performed by the Company, incorporating information from a range of public and internal sources. These estimates are provided for illustrative purposes only and should not be relied on for any investment related purposes. All estimates are subject to review, and may be revised or withdrawn, without notice. These estimates have not in any way been reviewed and/or approved by QGC, Shell or any other third party, and should not be relied upon for any investment related purposes.

COMMENTS FROM GROUP MANAGING DIRECTOR & CEO

Parkway's Group Managing Director & CEO, Bahay Ozcakmak, makes the following comments:



We have been diligently working on this exciting project opportunity with QGC since late 2020, and during this time performed a range of evaluations, including iBC® based piloting, which has given us great confidence in the transformational potential of our brine processing technologies.

The award of the Feasibility Study Contract we announce today, is a watershed moment for Parkway, as it represents an important endorsement of our capabilities and the potential of our technology platform, by another leading global company.

We recently provided details of our updated assessment of the scale of the market opportunity for treating CSG derived brines, particularly in Queensland, Australia. In terms of processing CSG derived brines, we consider QGC to be the most advanced operator in the sector. In this context, we are excited by the opportunity to step-up our collaboration with QGC, through a detailed feasibility study investigation, with the support of our existing industry leading partners.

In addition to assisting QGC with brine processing related solutions, we also see broader opportunities for potential collaboration amongst CSG operators with proximal operations, to treat CSG derived brines, potentially through shared infrastructure, where feasible. Despite these significant opportunities, stringent regulatory requirements, as well as very substantial investment by the industry over many years, to date, no viable treatment options have been identified, supporting our assessment of the scale of the long-term brine disposal related challenges facing the CSG industry.

Our ongoing internal evaluations have also identified several opportunities to further enhance a range of project outcomes, by potentially incorporating additional upstream and/or downstream (including aMES®) process technologies. Given adoption of the iBC® technology would in the first instance incorporate established equipment designs, Parkway deemed it strategically important, to limit the scope of this initial feasibility study to a more mature technology offering, to not constrain the timing of any potential commercial opportunities.

In addition to the CSG sector where the adoption of the iBC® technology is particularly well suited, we see much larger opportunities for brine processing in our other key markets, particularly in the mining and industrial sectors. Through our PPS business, we have rapidly established a broad portfolio of clients in these key market segments to whom we already provide a growing range of conventional water treatment related products, services, and solutions. As our technology portfolio continues to mature, we expect to also provide our existing and future clients with a range of highly innovative next-generation technologies.

As we reach this important milestone, I'd like to take the opportunity to acknowledge the ongoing efforts and commitment of the entire Parkway team. Despite a generally challenging operating environment, our small but growing team has methodically developed impressive inhouse capabilities, achieved ISO certification, continues to execute strongly, and increasingly collaborating with a range of leading global companies, particularly in the mining sector.

Finally, I'd like to acknowledge the support of our shareholders. Thank you. As a small company trying to achieve big things, we routinely face a range of challenges. In many instances, we are developing and trying to implement highly innovative technologies that have the potential to completely transform how major industries tackle very significant and complex wastewater related problems. In this regard, the commercialisation of industrial process technologies is from the outset a highly challenging pursuit. Notwithstanding these difficulties, the progress we have made to date, on a whole portfolio of technologies, with a very modest budget, is an enormous achievement and positions the company very strongly for a bright future."

The release of this announcement has been approved by Parkway's Group Managing Director & CEO, Bahay Ozcakmak.

ADDITIONAL INFORMATION

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FORWARD-LOOKING STATEMENTS

This announcement may contain certain “forward-looking statements”. The words “continue”, “expect”, “forecast”, “potential” and other similar expressions are intended to identify “forward-looking statements”. Indications of (and any guidance on) future earnings, financial position, capex requirements and performance are also “forward-looking statements”, as are statements regarding internal management estimates and assessments of market outlook.

Where Parkway expresses or implies an expectation or belief as to future events or results, such expectation or belief is expressed in good faith and believed to have a reasonable basis. However, “forward-looking statements” are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors, many of which are beyond the control of Parkway, its officers, employees, agents and advisors, that may cause actual results to differ materially from those expressed or implied in such statements. There can be no assurance that actual outcomes will not differ materially from these statements. There are usually differences between forecast and actual results, because events and actual circumstances frequently do not occur as forecast and their differences may be material.

Parkway does not undertake any obligation to publicly release any revisions to any “forward-looking statements” to reflect events or circumstances after the date of this announcement, or to reflect the occurrence of unanticipated events, except as may be required under the applicable securities laws.

ABOUT PARKWAY CORPORATE LIMITED

Parkway Corporate Limited is an Australian cleantech company focused on developing and implementing, industrial-scale innovative water treatment solutions. Parkway is listed on the Australian Securities Exchange (ASX: PWN) and is emerging as an innovative player in water related sustainability solutions. With significant inhouse technical expertise and established partnerships, Parkway is well-placed to deliver the next generation of wastewater treatment plants, incorporating the company’s portfolio of world-class technologies.

Parkway operates through three (3) core business units, comprising:

- Parkway Process Solutions (PPS) – Parkway’s primary operating division and an emerging provider of industrial water treatment products, services, solutions and associated technology to customers throughout Australia. PPS has recently established commercial relationships with key water industry participants, including globally recognised OEMs;
- Parkway Process Technologies (PPT) – Parkway’s technology development, acquisition, and commercialisation division. PPT owns a portfolio of industrial wastewater treatment technologies, including the patented aMES® and iBC® process technologies. PPT has global aspirations and is supported by a network of strategic partners, including global engineering company Worley; and
- Parkway Ventures (PV) – holds a portfolio of project equity and royalty interests, including interests relating to Parkway’s Karinga Lakes Potash Project in the Northern Territory of Australia.

Additional information regarding Parkway, including an overview of the corporate structure of Parkway and the companies in its corporate group, can be found at: www.pwnps.com/pages/about-us.

SOCIAL MEDIA & EMAIL ALERTS

Parkway is committed to communicating with the investment community through all available channels. Whilst the ASX announcements platform remains the most appropriate channel for market-sensitive news about Parkway, investors and other interested parties are also encouraged to:

- follow Parkway on LinkedIn, Twitter, Facebook and YouTube; and
- subscribe for our email alert service, Parkway News Alerts, on our website (www.pwnps.com).