



ACN 009 104 330

24 October 2024

Company Announcements Platform
Australian Securities Exchange

Agreements to establish Indonesian-based seaweed business and capital raising

Highlights

- Establishment of Indonesian-based, seaweed focused business
- BP8 to incorporate 100% owned subsidiary in Indonesia
- Joint venture partners to contribute assets to the venture
- Focus on commercialisation opportunities based on sales of raw seaweed and seaweed-based and infused products
- Particular focus on development of seaweed-based bio stimulant products for sale into the Indian market
- AUD100,000 placement by a venture partner to support development of the business

Further to previous announcements made by the Board of BPH Global Ltd (ASX: BP8) (**Company**) regarding the Company's strategic review of its seaweed operations and the expansion of its R&D operations to include the extraction of minerals and gases for use in the battery and energy industries, the Board is pleased to announce that the Company has entered into a binding term sheet to acquire Indonesian-based seaweed assets and for the joint development of an Indonesian-based seaweed business.

Term Sheet

On 22 September 2024, the Company entered into a legally binding term sheet (**Term Sheet**) with Singapore and Indonesian-based joint venture partners Messrs Rajiv Ramnarayan and Deepak Jha and PT Mitra Agro Global an Indonesian company (together the **JV Partners**) for the acquisition by the Company of Indonesian-based assets owned by the JV Partners (**Assets**) and the incorporation by the Company of a wholly owned Indonesian subsidiary (**BP8 Indonesia**). The JV Partners have undertaken preliminary activities in developing seaweed sourcing in Indonesia and identifying potential sales channels for the seaweed supply and are undertaking preliminary R&D into a seaweed bio-stimulant project.

The bio-stimulant project is targeting development of an agricultural-based product which is an additive to crops used in the production of food products. The bio-stimulant seeks to increase nutrient availability and uptake in those food sources so as to optimise Traditional Chinese Medicine outcomes. The JV Partners have developed a relationship with an Indian-based holder of intellectual property relating to bio-stimulant technology (**Bio-stimulant IP**) and will assist the Company in its endeavours to obtain a licence to use that intellectual property.

BP8 considers that it can combine its own seaweed sector intellectual property and resources with the JV Partners' activities and the Assets to develop a joint venture project in Indonesia focused on:

- seaweed cultivation, sourcing and sales, and
- R&D into a seaweed bio-stimulant project and its commercialisation.

The key terms of the Term Sheet are as follows:

1. BP8 agrees to buy and the JV Partners agree to sell the Assets.
 2. Following completion, the parties will work together to develop the seaweed trading business including the bio-stimulant seaweed project.
 3. The JV Partners will introduce potential bio-stimulant patent licences to be obtained by BP8 or its nominee following completion. The parties must use their best endeavours to procure that BP8 Indonesia acquires a bio-stimulant patent licence.
 4. The Company will contribute to the joint venture business:
 - funding based on an agreed budget between the parties; and
 - seaweed R&D, intellectual property and know-how contributions based on BP8's historical seaweed activities; and
 - procuring its team members and consultants with seaweed expertise to provide services to BP8 Indonesia for the seaweed venture.
 5. Mr Jha (of the JV Partners) will oversee the appointment of a CEO of BP8 Indonesia to manage its day-to-day operations in Indonesia, including seaweed sourcing, marketing, and sales, along with R&D activities for the bio-stimulant project.
 6. In the interim period prior to appointing a CEO, Mr Jha will be responsible for such activities as a contribution from the JV Partners to drive the sales and marketing efforts in Indonesia. Mr Jha will allocate 25% of his weekly working hours to perform BP8 Indonesia work activities during the period prior appointment of a new CEO for BP8 Indonesia. In consideration of the provision of his services, BP8 Indonesia/BP8 will pay 25% of Mr Jha's usual remuneration.
 7. BP8's nominees will control the Board of BP8 Indonesia, with one JV Partners' representative joining the Board of that company.
 8. The purchase consideration for the Seaweed Assets will be an upfront issuance of A\$50,000 shares in the Company at A\$0.005 per share, being 10,000,000 shares (equivalent of 2.5% of the current issued capital of the Company).
 9. The JV Partners will be entitled to payment of further shares in the Company based on BP8 Indonesia achieving the following milestones over the next 2 years as follows:
 - Upon BP8 Indonesia being granted an export licence to enable the export of seaweed products from Indonesia, within 12 months of commencement of operations the joint business venture – A\$25,000 of Shares in the Company;
 - Upon BP8 Indonesia's seaweed trading business generating USD\$50,000 during FY25 - A\$25,000 of shares in the Company;
 - Upon BP8 Indonesia's seaweed trading business generating USD\$150,000 during FY26 - A\$25,000 of shares in the Company; and
 - Upon BP8 acquiring a bio-stimulant patent licence, within 12 months of commencement of the joint venture – A\$25,000 of shares in the Company.
- Each tranche of milestone shares will be calculated based on a price of \$0.005 per share or 20% discount to the 10-day VWAP prior to achievement of the relevant milestone, whichever is greater.
10. During the period commencing on completion of the transaction and ending on the date that BP8 Indonesia obtains any necessary licences, permits, approvals or authorisations required in Indonesia for BP8 Indonesia to operate the business, including:
 - Licences to export seaweed;

- GMP Certification in Indonesia;
- HACCP Certification in Indonesia; and
- Halal certifications, (together the **Licences**)

the JV Partners agree to provide the services under such Licences and make available the Licences for use by BP8 Indonesia to operate the business.

11. Completion of the transaction is subject to conditions precedent including:

- BP8 completing satisfactory due diligence on BP8 completing satisfactory due diligence on the Assets;
- The parties executing any documents required under Indonesian law to effect a transfer of the Assets from the JV Partners to the BP8 Indonesia or other nominee of BP8.
- The Assets being acquired are free of all encumbrances and any third-party rights.
- Any requisite Australian regulatory, ASX and shareholder approvals for the transaction being obtained by BP8.

Note that the Company has received notice from the ASX that, based on the information provided by the Company to ASX regarding the acquisition, ASX Listing Rules 11.1.1 and 11.1.2 do not apply to the proposed acquisition.

- Any requisite Indonesian legal regulatory approvals for the transaction being obtained.
- The landlord for the JV Partner's warehouse premises providing its in-principle consent to a transfer of the existing lease (or grant of a new lease) for the warehouse premises to BP8 Indonesia upon its incorporation.
- Mr Jha sourcing a CEO for BP8 Indonesia on employment terms agreed by BP8 and the JV Partners (or Mr Jha otherwise satisfying BP8 that prior to appointment of a CEO he will perform the management responsibilities).
- Any other conditions precedent considered appropriate and necessary based on BP8's due diligence enquiries during the due diligence period.

The expiry date for the Conditions Precedent is 31 December 2024 (**Expiry Date**). The conditions precedent are for the benefit of BP8, and BP8 has the right to waive any of the conditions precedent to completion of the transaction. BP8 may terminate this document by written notice to the JV Partners if a Condition Precedent cannot be satisfied; or if each Conditions Precedent is not satisfied or waived before the Expiry Date.

12. The JV Partners have given exclusive dealing undertakings to the Company for the period from execution of the Terms Sheet until completion of the transaction or termination of the Terms Sheet.

The Company anticipates that completion of the acquisition will take place by 4 December 2024. The Company will provide the market with updates regarding the date for completion of the acquisition.

Background

The Company's core seaweed business is focused on:

- the cultivation and sales raw seaweed; and
- the extraction of seaweed-based nutraceutical for utilisation in the food, nutrition, healthcare, health supplements, cosmetics and personal care industries.

The Company has developed intellectual property in the form of proprietary biotechnology, including a macroalgae seed bank, macroalgae proprietary precision cultivation system and key downstream extraction technologies. The Company is constantly seeking opportunities to create operational opportunities to commercialise its intellectual property.

The Company's strategic review of its seaweed operations included the in-depth, thorough review of the viability of the floating platform in the East Johor Strait which resulted in the [sale of the platform](#) and similarly to the closure of the Company's R&D facility on St John's Island, Singapore. Also

resulting from that review, the Company reaffirmed its relationship with Gaia Mariculture Pte Ltd (**Gaia Mariculture**) by entering into a new R&D-focused consultancy agreement with that company.

Principal goals for the Company's seaweed operations arising from the strategic review included:

- securing locations for the low-cost cultivation and/or purchase of seaweed;
- establishing commercial scale cultivation operations;
- locating the Company's cultivation sites proximate to;
 - existing or potential sales markets so as to drive the commerciality of its sales operations and
 - Singapore to underpin the Company's R&D activities which are focussed on nutraceutical and mineral and gas extraction from process raw seaweed; and
- enter into supply agreements with commercial-scale seaweed farmers.

With these goals in mind, the Company has entered into the Term Sheet for the acquisition of the Assets and for the joint development of the Indonesian-based seaweed business.

Expansion of the seaweed business and R&D activities enabled

Completion of the acquisition of the Assets and the joint development of the Indonesian-based business together with the JV Partners will enable the Company to both cultivate and harvest seaweed and to acquire seaweed from third party sellers:

- for sale as raw seaweed (such as sea grapes) into ASEAN food markets;
- for the production of bio stimulant seaweed products for sale in the Indian market;
- for the extraction of nutraceuticals for infusion in food, health and cosmetic products;
- to enable the conduct of R&D on the extraction of minerals, nano-minerals and chemicals for use in the battery and energy industries; and
- to enable the conduct of R&D on the production and extraction of biohydrogen and other biogases.

Placement to a JV Partner

In previous announcements to the market the Company has stated its intention to engage deeply with prospective investors with a particular focus on investors who have relevant industry experience and an understanding and appreciation of the Company's business development plans. The Board is pleased to announce the execution of an investment term sheet dated 22 October 2024 with JV Partner Mr Rajiv Ramnarayan (**Investment Term Sheet**) pursuant to which Mr Ramnarayan will provide the Company with \$100,000 in two tranches of \$50,000.

The key terms of the Investment Term Sheet are as follows:

1. Total Investment Monies: A\$100,000 comprising:
 - The Tranche One Investment Monies: A\$50,000 due by 25 October 2024; and
 - The Tranche Two Investment Monies: A\$50,000 due by 25 November 2024.
2. The Total Investment Monies will be treated as an interest free unsecured loan to the Company (**Loan**) pending the issuance of the shares in the Company to Mr Ramnarayan on conversion of the Loan.
3. The Company will convert the Loan into shares upon obtaining the necessary shareholder approval for the allotment of shares to Mr Ramnarayan.
4. The Company will seek to obtain the shareholder approval for the conversion of the Loan into shares within 3 months from the date of the Investment Term Sheet.

5. If the Loan is not converted into shares within 6 months from the date of this Term Sheet, the Loan will be repayable to Mr Ramnarayan.
6. Price per share on conversion of the Loan: A\$0.003 per share.
7. No of Shares: The Loan shall be convertible into 33,333,334 Shares.
8. In consideration for Mr Ramnarayan providing the Loan, the Mr Company will grant him 16,666,667 options, being one (1) free unlisted option for every 2 BP8 shares subscribed for upon conversion of the Loan to shares.
9. Exercise Price: A\$0.006 per share.
10. Option expiry date: the date which is 3 years from the date of issue of the option.
11. Other terms: Based on the standard and customary terms of issue for an unlisted option issued in accordance with ASX listing rules.

About PT Mitra Agro Global

PT Mitra Agro Global (**MAG**), a company incorporated in Indonesia, was formed to explore Agro business opportunities throughout Indonesia and South East Asia. MAG is a supplier of Agro commodities to buyers around the world, www.mitraagroglobal.com.

MAG works on the principle of quality and sustainability to provide products that have been sourced fresh and directly from the farmer or supplier. This is done through MAG's network of warehousing, manufacturing and collection centres throughout Indonesia. MAG's customers are large and medium industries like oleo resin extraction companies, food colouring, flavouring companies, bakeries, roasters essential oils and natural oils processing companies; spice consuming food industries such as spices packaging companies and coconut oil manufacturers.

MAG conducts its seaweed operations via its subsidiary PT MAG Oceans. Its farms are located at the Mamasaloto area in Central Sulawesi and in and around Takalar area in Makassar. PT MAG Oceans also fosters relationships with local independent seaweed growers as a supply source with a view to establishing a thriving ecosystem that uplifts farmers and safeguards their well-being and livelihoods.

Ongoing updates

The Company will provide further updates in due course on its progress with these matters.

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Authorised for lodgement by the Board of the Company

For further information, please visit our website at www.bp8global.com or contact:

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