



ASX ANNOUNCEMENT, 22 March 2018

# SINOPEC AND NCF ENTER COMMERCIALISATION AGREEMENT

- **NewCO2Fuels Ltd (NCF) has executed a commercialisation agreement with Sinopec Engineering (Group) Co Ltd (SEG) to commercialise NCF's award winning CO<sub>2</sub>-to-fuel technology in China**
- **This agreement follows encouraging results from extensive feasibility studies, due diligence and commercialisation plans conducted over the last 16 months, based on the previously executed term sheet announced in November 2016**
- **SEG and NCF will collaborate in implementing and demonstrating the commercial viability of the technology through the installation of a pilot or pilots**
- **SEG will take joint responsibility for commercialisation of NCF's award winning CO<sub>2</sub>-to-fuel technology in China, providing engineering for pilot plants and support for commercial sales**

**Vivid Technology Limited (ASX: VIV)** ("Vivid Technology" or "the Company") is pleased to announce that NewCO2Fuels Ltd (**NCF**) has signed an agreement with Sinopec Engineering (Group) Co Ltd (**SEG**) to commercialise NCF's award winning CO<sub>2</sub>-to-fuel technology for the Chinese market.

The agreement follows extensive feasibility and evaluation studies over the past 16 months, which have validated the capability of NCF's technology as a viable, valuable and technologically proven solution to the global problem of CO<sub>2</sub> reduction, and creates a path to roll out full-scale plants across China. The test facilities will be located within SEG's high-tech engineering division alongside other international corporations collaborating with Sinopec to commercialise technology.

Whilst the commercial terms of the agreement remain confidential, this final commercialisation agreement represents the culmination of a contract establishment process between SEG and NCF, with a Term Sheet, a Letter of Intent and a Cooperation Agreement all previously entered between NCF and Sinopec Ningbo Engineering Co. Ltd (**SNEC**) (a subsidiary of SEG), as outlined in previous ASX announcements.

Work will now commence in earnest on fulfilling the key performance milestones of this commercialisation agreement and establishing the pilot plant in China. Vivid Technology maintains a passive investment in NCF, which has its own management capacity.

This commercialisation agreement provides for a full-scale pilot plant to be built in China, in co-operation between NCF and SEG. Under the agreement, NCF will continue to build and develop all the core components, whilst SEG builds the relevant supporting infrastructure, utility connections and all additional requirements for an operational pilot plant. With external investment into NCF, and upon successful development of the pilot, SEG represents an initial ten-year partnership as the China sales and engineering representative for NCF.

SEG is a wholly owned subsidiary of the Sinopec Group (China Petrochemical Corporation), which is one of the largest companies in China and in recent years has invested billions of dollars in international acquisitions, including in Australia. Sinopec Group ranked third in the Fortune Global 500 in 2017, with reported revenues of US\$267 billion.

Vivid Technology continues to assess how the Company's investment in NCF can be maximised for its stakeholders, noting the global reach of NCF's technology as it is commercialised.

### **Management Commentary**

Samuel Marks, Managing Director said: *"This is a significant milestone for NewCO2Fuels. This first commercialisation agreement is transformational for NCF and the best validation to date that this technology is ready to be scaled for commercial sized plants.*

*"Sinopec Engineering has undertaken a meticulous and thorough due diligence to ensure that NCF's technology is both commercially and environmentally viable, and we look forward to working with them to ensure the continuing success of this commercialisation agreement.*

*"To have such a strong collaboration partner as Sinopec Engineering engaged in the commercialisation of the CO<sub>2</sub>-to-fuel technology will transform NCF. The Sinopec group is the third largest company in the world and the perfect long-term partner for NCF. We are enthusiastic about the strength of this relationship and the commercialisation opportunity, along with the impact NCF's technology can have on the global CO<sub>2</sub> market, with China representing an estimated 40% of that market."*

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## About Vivid Technology

Vivid Technology Limited is a diversified Australian-based company with interests in technology focused solutions in the industrial energy efficiency and CO<sub>2</sub>-to-fuel conversion markets.

Vivid Technology - <http://www.vividtechnology.com.au>

## About NewCO2Fuels

NewCO2Fuels (NCF) is an Israeli start-up company which was formed in 2011 by a group of scientists and entrepreneurs with the support of Vivid Technology and the Erdi Group.

NCF was formed to develop and commercialise an innovative system to profitably produce fuels from CO<sub>2</sub> and water, using renewable high temperature heat from solar or excess heat from industry. The system is based on a technology previously developed at the Weizmann Institute of Science and exclusively licensed to NCF.

NCF won the World Technology Network award for Energy in November 2014 and has received numerous grants and accolades from governments around the world. Its technology has also been independently validated by several major international engineering and technology consultancy firms.

Vivid Technology's 33% effective economic interest in NCF is represented by its 50% ownership of NCF Global, a company that owns 66% of NCF. The other 50% of NCF Global is owned by the Erdi Group, which is also a shareholder in Vivid Technology.

NewCO2Fuels Website - <http://newco2fuels.co.il/>