

16 January 2024

EQTEC plc
("EQTEC", the "Company" or the "Group")

**Joint Venture with CompactGTL towards new business in
renewable synthetic fuels, including sustainable aviation fuel**

EQTEC plc (AIM: EQT), a global technology innovator powering distributed, decarbonised, new energy infrastructure through its waste-to-value solutions for hydrogen, biofuels, and energy generation, is pleased to announce that it has set up a new joint venture company (the "**JV**") with CompactGTL Limited ("**CompactGTL**") (together with the Company, the "**Partners**"), a leading, small scale, modular, gas-to-liquids technology company specialising in the production and use of synthetic fuels from gases, including natural gas, synthesis gas and off-gases. The JV will pursue implementation of an integrated, waste-to-liquid fuel solution based on EQTEC syngas technology and CompactGTL gas-to-liquid conversion technology (the "**Solution**").

The JV is owned in equal shares of 50% by the Company and CompactGTL. The Partners intend that the JV become an innovator and licensor of technology for liquid fuels produced from waste, including transport fuels such as sustainable aviation fuel ("**SAF**"). The JV's immediate objective is formation of a consortium of investors to fund a commercial-scale, first-of-a-kind reference plant that proves the viability of the Solution (the "**Reference Plant**"). The Solution would enable new lines of business for both Partners.

Establishment of the JV represents a next step following work undertaken by the Partners under the collaboration framework agreement announced by the Company on 7 July 2022 (the "**CFA**"). Under the CFA, the Partners agreed to collaborate for the design, development, construction and operation of waste-to-fuel projects and other synthetic fuel and energy infrastructure projects, with an initial focus on small-scale, modular, waste-to-fuel plants.

Since execution of the CFA, the Company and CompactGTL have together pursued funding, identified project opportunities and undertaken joint design and costing to build gas-to-liquids R&D capabilities at EQTEC's syngas pilot plant at the Université de Lorraine's Laboratoire d'Études et de Recherche sur le Matériau Bois ("**LERMAB**") facility in Épinal, France.

The Partners have also completed feasibility work toward the Reference Plant, through which they confirmed that the modular and scale capabilities of both EQTEC and CompactGTL technologies allow for construction of the Reference Plant and subsequent plants at lower cost and shorter timescales than has been possible by other waste-to-liquid configurations. The Reference Plant is expected to process 150 tonnes per day of refuse-derived fuel from municipal waste ("**RDF**") to produce 160 barrels per day of synthetic crude ("**syncrude**") at 90% annual operational efficiency. If processed, the syncrude would be further refined to produce c. 11,700 litres per day of SAF, c. 8,650 litres per day of diesel and c. 5,000 litres per day of naphtha. The total Capex for building the Reference Plant estimated through the feasibility work is c. £60 million, with roughly a third of that for purchase of EQTEC technology and another third for purchase of CompactGTL technology.

As the Partners intend to go to market through the JV with an integrated, waste-to-liquid fuel solution proven through the Reference Plant, the Solution is expected to significantly de-risk projects seeking reliable, SAF or other liquid fuel capabilities. The Partners intend to apply the Solution in support of the ground transport, airline and other industries.

The Partners have already identified a number of potential investors for both the R&D integration at LERMAB and for the Reference Plant and through the JV will pursue closure of funding, at project level, and development of the Reference Plant. The Company will make additional announcements in due course about work at LERMAB and work on the Reference Plant.

David Palumbo, CEO of EQTEC, commented:

"The versatility of EQTEC's syngas technology makes renewable synthetic, or drop-in, fuel production possible. But more than that, the quality of syngas that EQTEC technology enables is likely to result in a much better performance of the gas-to-liquid reactors than other syngas technologies could offer. That would mean a higher yield of liquid fuel from a lower volume of feedstock, higher productivity and efficiency and greater commercial returns.

"We are still at the early stages of our work on drop-in fuels, but the potential is great. CompactGTL's gas-to-liquid capabilities are already proven for natural gas and now we will work towards proving them for waste-to-liquid fuels, including SAF and maritime fuels. Given the huge interest in SAF and other drop-in fuels in the market and the funding we can see going into this market, waste-to-liquids is a market in which we want to participate as soon as possible."

Anar Asgarov, CEO of CompactGTL, commented:

"CompactGTL's technologies have already established a strong track record in the fossil fuel world, and we are dedicated to establishing an even better record with renewables. The market for clean transport fuels is growing quickly and we want to be at the forefront of it.

"Gas-to-liquid technology is difficult, but we have made it work. The bigger problem to solve for is high quality syngas, which is why we have turned to EQTEC, who have made high-quality syngas work. We look forward to combining two successful technologies and making them work together. We believe this joint venture is the beginning of something truly exciting for the renewables sector and especially for liquid fuels."

This announcement contains inside information as defined in Article 7 of the EU Market Abuse Regulation No596/2014, as it forms part of United Kingdom domestic law by virtue of the European Union (Withdrawal) Act 2018, as amended, and has been announced in accordance with the Company's obligations under Article 17 of that Regulation.

ENQUIRIES

EQTEC plc David Palumbo / Jeffrey Vander Linden	+44 20 3883 7009
Strand Hanson - Nomad & Financial Adviser James Harris / Richard Johnson	+44 20 7409 3494
Global Investment Strategy UK Ltd - Broker Samantha Esquant	+44 20 7048 9045
Fortified Securities - Broker Guy Wheatley	+44 20 3411 7773
Panmure Gordon - Broker John Prior / Hugh Rich	+44 20 7886 2500

About CompactGTL

CompactGTL ("CGTL"), with headquarters in the UK, is one of the world's leading, small scale, modular gas-to-liquid (GTL) companies. Since its inception in 2006, CGTL has focused its technology development and commercialisation programme on the upstream oil & gas sector, recognising problematic stranded gas as the most compelling market opportunity.

CGTL has focused its development activities on delivering what commercially viable plants need to achieve and has developed a unique, patent-protected and proven GTL process utilising Fischer Tropsch (FT) catalytic conversion. The CGTL small-scale GTL technology has been proven to work for the conversion of associated gas into synthetic liquids at the point of production. The technology has powerful oil company endorsement by Petrobras who successfully operated CGTL's Commercial Demonstration Plant for 3 years in Brazil.

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CGTL sees a huge new opportunity to transition the company from a focus on primary fossil derived feedstocks to a focus on biogenic feedstocks, such as residual biomass, refuse derived fuels and municipal solid wastes, that can be turned into valuable and sustainable liquid fuels. To achieve this CGTL has partnered with EQTEC and believe that there are significant synergies in the integration of CGTL's FT technology and EQTEC's proven ability to produce high quality synthesis gas from a range of feedstocks.

About EQTEC

As one of the world's most experienced thermochemical conversion technology and engineering companies, EQTEC delivers waste management and new energy solutions through best-in-class innovation and infrastructure engineering and value-added services to owner-operators. EQTEC is one of only a few technology providers directly addressing the challenge of replacing fossil fuels for reliable, baseload energy. EQTEC's proven, proprietary and patented technology is at the centre of clean energy projects, sourcing local waste, championing local businesses, creating local jobs and supporting the transition to localised, decentralised and resilient energy systems.

EQTEC designs, specifies and delivers clean, syngas production solutions in the USA, EU and UK, with highly efficient equipment that is modular and scalable from 1MW to 30MW. EQTEC's versatile solutions process 60 varieties of feedstock, including forestry waste, agricultural waste, industrial waste and municipal waste, all with no hazardous or toxic emissions. EQTEC's solutions produce a pure, high-quality synthesis gas ("**syngas**") that can be used for the widest range of applications, including the generation of electricity and heat, production of renewable natural gas (through methanation) or biofuels (through Fischer-Tropsch, gas-to-liquid processing) and reforming of hydrogen.

EQTEC's technology integration capabilities enable the Group to lead collaborative ecosystems of qualified partners and to build sustainable waste reduction and green energy infrastructure around the world.

The Company is quoted on the London Stock Exchange's Alternative Investment Market (AIM) (ticker: EQT) and the London Stock Exchange has awarded EQTEC the Green Economy Mark, which recognises listed companies with 50% or more of revenues from environmental/green solutions.

Further information on the Company can be found at www.eqtec.com.

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