



## **MARCH 2017 QUARTERLY REPORT TO SHAREHOLDERS**

The Directors of FOY Group Limited (“**FOY**” or “**the Company**”) are pleased to provide Shareholders with an update of activities for the Company.

### **International Rollout**

FOY has executed an agreement with Structured Growth Capital, Inc (“**SGC**”), a company based in Philadelphia, USA. The funds are to be used to construct and establish 4 commercial sites in the United Kingdom.

SGC has completed its due diligence on the FOY business model and the technology. The funding commitment is subject to the finalisation of long form contracts.

SGC is a leading financier that facilitates transactions in a broad array of industries. SGC has traded for over 15 years and provides businesses access to capital via its unique financing structure and has successfully transacted over 300 financings in excess of \$3 billion.

The FOY team has currently identified 8 sites in the United Kingdom and will be undertaking site tours and inspections during May with a view to making a decision on the location of the first 4 sites by 31 May 2017.

Each site will process 200 tonnes per day of end-of-life waste plastic per day. This is forecast to produce approximately 70 million litres of road ready fuel per annum per site at an anticipated margin of A\$0.3 per litre. This will result in strong profit and cash-flows after factoring in all required interest and principal repayments agreed to under the funding commitment.

### **ACT Project**

As announced on 17 January 2017, the Acting Director-General of the Environment, Planning and Sustainable Development Directorate established an expert panel to assess the FOY proposal. This public inquiry process is being undertaken by an independent panel who are finalising a report to the ACT Minister for Planning and Land Management and the Minister for the Environment and Heritage, Mr Mick Gentleman, regarding the provision of an environmental authorisation.

### **US Project**

In line with FOY’s announcement in November 2016 that the Company had jointly formed a company in the US – Integrated Green Partners, LLC (“**IGP**”), with US company GEP Fuel and Energy Indiana, LLC (“**GEP**”), FOY executed a contract with GEP in March which will govern the operations of IGP, specifically regarding its plans to construct a 1,500 tonnes per day waste plastics to fuel facility to be located in Camden, Indiana. The waste plastic being processed at this facility and referenced in the contract with GEP is derived from Automotive Shredder Residue (“**ASR**”). Under this agreement FOY will be responsible for:

- procuring a license to the waste plastic to fuel technology (“**WPTF Technology**”) to IGP;
- provide design, engineering and related services in addition to construction and/or retrofitting of the facility with the WPTF Technology, process design and commissioning of the facility;

- provide implementation and maintenance, product quality services and other consulting services on an as requested basis;
- provide operation and maintenance services related to the FOY Technology to IGP; and
- provide construction support and other general assistance relating to the WPTF Technology to any contractors engaged to provide engineering, procurement and construction services for the construction and/or retrofitting of the facility.

The above deliverables are subject to the formal completion of the business sale agreement with Integrated Green Energy Limited.

Under the same agreement, GEP's obligations are to:

- procure, solicit and facilitate the supply of feedstock to IGP;
- procure purchasers to offtake the products of IGP;
- procure all environmental and regulatory Consents and Permits necessary for the construction, retrofit, start-up, operation, maintenance and expansion of the facility;
- procure debt financing for IGP sufficient to cover the capital costs associated with the construction, retrofit, start-up, operation, maintenance and expansion of the facility;
- provide or procure suitable feedstock warranties consistent with industry practices and supply guarantees;
- identify, apply for and manage the review and approval process relating to grants and tax incentives available to IGP in connection with the development, construction or operation of the Facility; and
- utilise the WPTF Technology exclusively in the fulfilment of its obligations under the terms of this agreement.

FOY is to construct sufficient infrastructure to produce approximately 530 million litres of fuel per annum from non-recyclable waste plastics derived from ASR otherwise destined for landfill. At current fuel prices, FOY would anticipate a margin of US\$0.3 per litre.

### **Relisting Timetable**

These dates are indicative only and may change.

| <b>Indicative Timetable for ASX Quotation</b>   |                         |
|---|-------------------------|
| Notice of Meeting   | Friday, 12 May 2017     |
| Prospectus Lodged with ASIC   | Wednesday, 31 May 2017  |
| General Meeting   | Monday, 19 June 2017    |
| Opening date of Offer   | Tuesday, 20 June 2017   |
| Closing date of Offer   | Monday, 17 July 2017    |
| Completion of IGE acquisition and issue of shares to IGE shareholders and applicants under the prospectus | Monday, 24 July 2017    |
| Expected dispatch of Shareholder holding statements   | Tuesday, 25 July 2017   |
| Shares expected to commence trading on ASX  | Wednesday, 26 July 2017 |

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