

4 December 2019



CarbonX Process

A ground breaking technology, which has the potential to profitably convert CO₂ to methanol and other commercial products.

Test Program for CarbonX Process Underway

Dear Shareholder,

I am pleased to advise you that PhosEnergy Ltd (**PhosEnergy** or **the Company**) has initiated a new programme of work at the Australian Nuclear Science and Technology Organisation (**ANSTO**), designed to test the CarbonX Process on a commercial scale.

This testwork is an important next step in advancing the CarbonX Process, and follows on from earlier proof of concept experiments conducted by PhosEnergy. ANSTO is considered to be Australia's leading research facility and brings a wealth of expertise and resources to the CarbonX experimental process.

The program is a *world first* in the use of Beta Activated Ceramic (**BAC**) to convert CO₂ into useful and valuable products, and aims to support and expand the Company's strong Intellectual Property portfolio. This partnership with ANSTO allows testwork to be conducted on a larger scale, and to gather important process design and performance information on the CarbonX Process.

Over the next twelve weeks multiple CO₂ containing feeds will be contacted with BAC and the conversion of CO₂ will be quantified by analysis providing accurate reaction rate information for future process and BAC design.

The Board and management team are excited by the unique and novel opportunity presented by the CarbonX Process, and consider this a significant advancement. I look forward to providing further updates as the testwork progresses.

The CarbonX Process factsheet is available [here](#).

Sincerely,

Bryn Jones

Managing Director