

ASX Announcement

05 June 2023

MAJOR UPDATE ON MASTER PLAN CONCEPT

Highlights

- Introduction of **Master Plan** concept for Queensland CSG industry.
- Incorporation of **dedicated commercialisation entity (QBS)** for Master Plan.
- Development of **new upstream brine beneficiation & concentration technology**.
- Appointment of experienced **Chief Commercial Officer**, with initial focus on Master Plan.
- Finalisation of **independent research report** anticipated in early June 2023.

Parkway Corporate Limited (“**Parkway**” or the “**Company**”) (ASX: PWN) is pleased to provide an update on the Master Plan concept being advanced by Parkway, as well as several other important developments which relate to the commercialisation of Master Plan.

Master Plan Concept

The coal seam gas (CSG) industry in Queensland, is responsible for producing approximately 4,800,000,000 litres of waste brine, containing an estimated 200,000 tonnes of waste salts, annually. Under the *Coal Seam Gas Water Management Policy 2012*¹, CSG project operators are required to ensure (prioritise) “*brine or salt residues are treated to create useable products wherever feasible*”, before brine or salt residues can be considered for disposal. Despite substantial efforts by industry over many years, to identify or develop appropriate waste processing routes to produce usable products, to date, the industry has unfortunately been unable to identify a suitable option, and has therefore proposed the disposal of salts, through salt encapsulation (refer *Figure 1*).

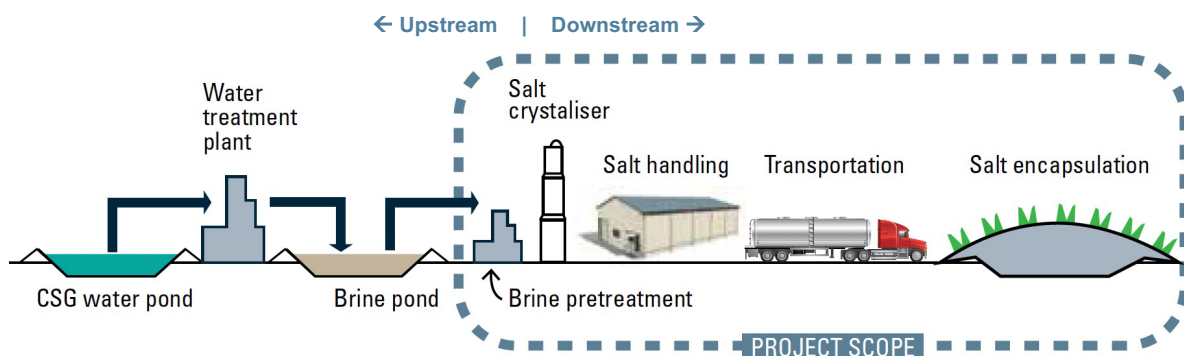


Figure 1: Salt Encapsulation Schematic²

¹ Queensland Government, Department of Environment and Science, *Coal Seam Gas Water*, accessed at: <https://environment.des.qld.gov.au/management/activities/non-mining/water/csg-water>

² APPEA 2018 Report, *QUEENSLAND GAS: end-to-end water use, supply and management*, with modified graphic.

Over the life of existing CSG projects operating in Queensland, an estimated 6,000,000 tonnes of waste salts are expected to be produced. A significant proportion of these salts have already been produced, in the form of waste brine, currently being stored in 36 brine ponds, awaiting a viable long-term disposal (or processing) solution. The disposal of waste brine and salts, as contemplated by the CSG industry, presents extensive environmental risks, and remains deeply unpopular, with significant opposition from various stakeholders, including local farmers and regional community groups.

Recognising the significant challenges, in recent years, Parkway has systematically developed a portfolio of proprietary process technologies, to specifically address the waste brine and salt challenges facing the CSG industry. These technologies have undergone extensive process optimisation, piloting and techno-economic evaluations, providing a high level of confidence in the value proposition presented by these technologies, particularly in comparison to the industry's planned approach, or business as usual (BAU) status. In addition to the previously disclosed portfolio of proprietary (downstream) process technologies, Parkway has also recently developed a new upstream brine beneficiation and concentration technology. Further details of this previously undisclosed upstream technology are outlined in subsequent sections of this report.

In order to highlight the significant advantages, including the superior safety, environmental and commercial metrics of the proprietary technology-based approach, Parkway has recently embarked on an initiative to develop a Master Plan, encompassing the entire CSG industry in Queensland. The scope of the Master Plan involves the evaluation of the advantages of processing all the brine from ongoing production and existing brine ponds, with Parkway's proprietary technology-based approach, instead of the industry's planned BAU.

The anticipated advantages of the Master Plan concept include:

- Avoiding the disposal of approximately 6,000,000 tonnes of waste salts into landfill.
- Eliminating enduring environmental risks associated with salt encapsulation (BAU).
- Significantly lower CAPEX and OPEX (estimated to be less than 30% of BAU).
- Production of significant quantities of industrial chemical products from waste salts.
- Generation of substantial revenues, as opposed to disposal costs in the BAU scenario.

As part of the Master Plan initiative, Parkway has also developed a comprehensive techno-economic model, encompassing all the major wastewater treatment plants operating within the Queensland CSG industry. This internal techno-economic model is believed to be the most comprehensive industry-wide evaluation performed to date and is supporting the development and dynamic evaluation of various Master Plan related commercialisation scenarios, compared to BAU.

Discussions with industry, regulatory authorities, partners, including potential strategic investors continue to be highly encouraging. The development of Master Plan also aligns with several government priorities relating to circular economy, employment and investment targets, including the Queensland Government's recently announced, *Queensland new-industry development strategy*³.

The development of the Master Plan is being pursued in parallel to existing project specific opportunities, to provide Parkway with maximum optionality and strategic leverage during various commercialisation related discussions.

Given the various strategic opportunities, particularly with the ultimate end-customers (CSG project operators) as well as strategic partners and investors, Parkway has recently incorporated Queensland Brine Solutions Pty Ltd⁴, as a dedicated commercialisation entity, to advance the objectives of Master Plan.

Further details about the Master Plan concept, including a detailed presentation, are expected to be released in late June 2023.

³ Queensland Government, Department of State Development, Infrastructure, Local Government and Planning, *Queensland new-industry development strategy*, accessed at: <https://www.statedevelopment.qld.gov.au/industry/queensland-new-industry-development-strategy>

⁴ Queensland Brine Solutions Pty Ltd (ACN: 668 367 011), is a wholly owned subsidiary of Parkway Process Technologies Pty Ltd.

Development of New Upstream Brine Beneficiation & Concentration Technology

The transformational CSG brine processing innovations disclosed by Parkway to date, have been predominantly based on innovative downstream system optimisations, specifically, replacement of conventional salt crystallisers (as anticipated in BAU) with a proprietary process train, developed by Parkway. Whilst this downstream system optimisation is applicable to all major CSG projects in Queensland, and capable of delivering highly transformative outcomes, Parkway has previously identified an opportunity to also develop a complementary upstream system optimisation.

Given the existing water treatment plants associated with 3 of the 4 major Queensland CSG projects only produce a relatively dilute waste brine (currently stored in brine ponds), the potential adoption of an upstream brine beneficiation and concentration process, would provide significant additional benefits.

Parkway is pleased to disclose the successful development of a new upstream technology package which incorporates several new innovations, as well as core iBC[®] and aMES[®] related intellectual property. The new upstream technology package has already undergone process development, bench-scale piloting, various engineering studies (refer *Figure 2*), and is in the process of being scaled-up, in preparation for near-term commercialisation, as part of core Master Plan related objectives.

The key benefits of the new Upstream Brine Beneficiation & Concentration Technology include:

- Applicable to all major CSG projects in Queensland, which do not currently have any form of downstream brine concentration infrastructure.
- The new upstream technology developed by Parkway enables existing reverse osmosis (RO) derived waste brines to be concentrated by approximately 3x (compared to BAU), thereby:
 - Increasing onsite water recovery significantly.
 - Reducing brine transport requirements from upstream to downstream operations, by approximately 70%. The reduced transport requirements and scale of downstream operations, collectively contribute to a significant (>70%) reduction in OPEX.
 - Enable the scale of downstream operations, which typically have a much higher specific capital intensity (unit CAPEX, typically 5 - 10x greater) than of the upstream operations, to be reduced by approximately 70%.
- The new upstream technology developed by Parkway, enables waste brines from the CSG industry to be processed and transported in a manner that has not previously been possible.
 - The reduced volume of concentrated brine produced onsite by the new upstream technology, is a key enabler in potentially consolidating brine sourced from multiple projects, as the common feed for centrally located processing hubs, based on Parkway's proprietary (downstream) process technologies. The systematic integration of both the upstream and downstream technologies, provides a compelling value proposition, and is a key underpinning of the Master Plan.

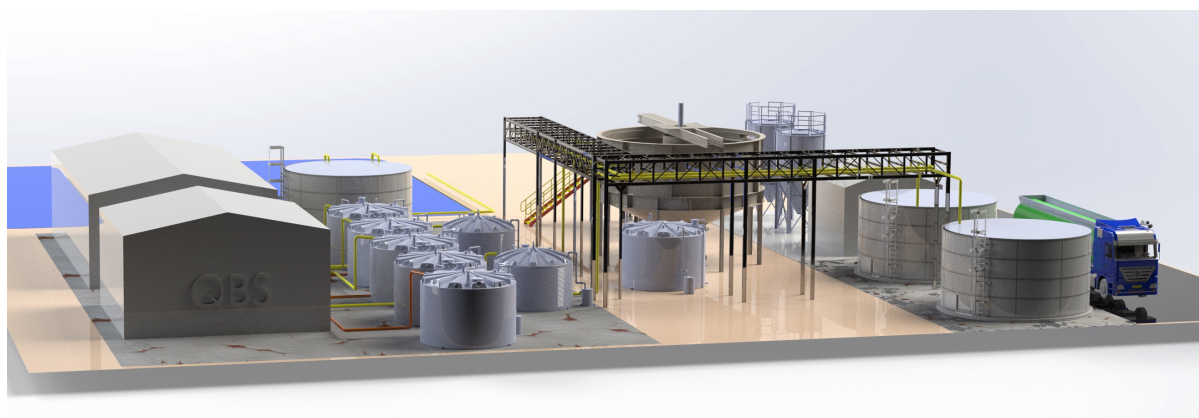


Figure 2: Rendering of process plant incorporating the new upstream brine beneficiation & concentration technology

Appointment of Chief Commercial Officer

Given the scale and immediacy of commercial opportunities, Parkway has recently appointed Mike Hodgkinson as Chief Commercial Officer (CCO), to lead a range of commercial initiatives, including assuming the role of commercial lead, for advancing Parkway's Master Plan concept.

Mike is a highly accomplished cleantech executive with a wealth of experience in sustainability and innovation. Throughout his career, he has consistently demonstrated his ability to create shareholder value through raising capital, forging strategic partnerships, managing high-growth companies, and successfully commercialising various technologies and engineered products. For example, at Citigroup, Mike founded and led the finance and legal divisions of Orbian, creating a successful joint venture with SAP for a global trade finance platform that has now settled over \$240 billion in transactions.

Throughout his career, Mike has also played pivotal roles in securing major contracts and partnerships and managing commercial activities. Mike has worked for multinationals including Comalco, Alcatel, and Citigroup, as well as several dynamic VC-backed companies including RayGen and Reelectrify. Mike is a Certified Practising Accountant (CPA Australia), has an Executive MBA from Columbia and London Business Schools, and degrees in Economics and Law (with honours) from Monash University.

With his background in cleantech and sustainability, exceptional commercial acumen, and proven track record of creating significant shareholder value, Mike brings extensive experience to Parkway and is well-positioned to make a valuable contribution to Parkway's growth and success.

Independent Research Report

Parkway recently engaged an established investment research organisation to prepare an independent research report, outlining a prospective investment case for Parkway, based on publicly available information. Preparation of the research report is nearing completion and is currently being updated to reflect the latest information relating to Master Plan, including indicative CAPEX and OPEX implications, as well as incorporation of the new upstream brine beneficiation and concentration technology, disclosed for the first time, in this release. The independent research report is anticipated to be released in early June 2023.

To access the independent research report, as well as interact with Parkway by posting questions/feedback through a Q&A function, we encourage investors to sign-up to the Parkway Investor Hub. Details about signing-up to the investor hub are outlined at the end of this release.

COMMENTS FROM GROUP MANAGING DIRECTOR & CEO

Parkway's Group Managing Director & CEO, Bahay Ozcakmak, makes the following comments:



“Following more than a decade of innovative process development, and with the last 3 years involving a major focus on the CSG brine treatment opportunity, we are pleased to be able to reveal initial details about our Master Plan concept. Our continued industry-leading innovation, including development of our new upstream brine beneficiation & concentration technology, further positions Parkway and our technology portfolio, as a highly attractive proposition, and viable alternative to BAU.

At the same time, the operating environment is evolving rapidly, and together with existing regulatory requirements, is progressively leading to the inevitable conclusion, that the industry's BAU approach is becoming increasingly untenable. Around the world, we are seeing environmental compliance requirements continue to tighten, as community expectations change, presenting significant operational and compliance related challenges for incumbents, particularly in extractive industries. In this regard, we congratulate the Queensland Government on the recently launched Queensland new-industry development strategy, which further favours the adoption of next-generation technology-based approaches (as proposed by Parkway), to convert industrial wastes into products.

Whilst our evaluation of the opportunities presented by Master Plan are ongoing, our assessment that the adoption of Master Plan, could potentially create billions of dollars of value, just in Queensland, highlights the potential scale of the impact of our technologies. As the owner of these proprietary process technologies, and with the support of our established strategic partners, particularly global engineering company Worley, we are very optimistic in our ability to create and capture significant value, through our Master Plan initiative.

In terms of our go-to-market strategy, the incorporation of Queensland Brine Solutions (QBS), is an important step in allowing us to channel strategic industry interest in our Master Plan, into a dedicated commercialisation entity. In this regard, I'm excited Mike has accepted our invitation to join team Parkway. I've known Mike for many years, and always been impressed by Mike's track-record in leading the successful commercialisation of a range of technologies. Mike has been particularly successful in developing a roadmap aligned with commercial milestones and securing significant support and funding from tier-1 strategic partners and investors, as well as substantial grant funding, for earlier-stage first-of-a-kind projects. Welcome to the team Mike.”

The release of this announcement has been approved by Parkway's Group Managing Director & CEO, Bahay Ozcakmak, on behalf of the board of directors of the Company.

ADDITIONAL INFORMATION

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PARKWAY INVESTOR HUB

To stay up to date with the latest news, access additional investor related resources and interact with Parkway by posting questions/feedback through a Q&A function, we encourage investors to sign-up to the Parkway Investor Hub.

How to sign-up to the Parkway Investor Hub

1. Navigate to <https://investorhub.pwnps.com/welcome>.
2. Follow the prompts to sign up for an Investor Hub account.
3. Complete your account profile.

Scan QR Code to visit the Parkway Investor Hub



FORWARD-LOOKING STATEMENTS

This announcement may contain certain “forward-looking statements”. The words “continue”, “expect”, “forecast”, “potential” and other similar expressions are intended to identify “forward-looking statements”. Indications of (and any guidance on) future earnings, financial position, capex requirements and performance are also “forward-looking statements”, as are statements regarding internal management estimates and assessments of market outlook.

Where Parkway expresses or implies an expectation or belief as to future events or results, such expectation or belief is expressed in good faith and believed to have a reasonable basis. However, “forward-looking statements” are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors, many of which are beyond the control of Parkway, its officers, employees, agents and advisors, that may cause actual results to differ materially from those expressed or implied in such statements. There can be no assurance that actual outcomes will not differ materially from these statements. There are usually differences between forecast and actual results, because events and actual circumstances frequently do not occur as forecast and their differences may be material.

Parkway does not undertake any obligation to publicly release any revisions to any “forward-looking statements” to reflect events or circumstances after the date of this announcement, or to reflect the occurrence of unanticipated events, except as may be required under the applicable securities laws.

ABOUT PARKWAY CORPORATE LIMITED

Parkway Corporate Limited is an Australian cleantech company focused on developing and implementing, industrial-scale innovative water treatment solutions. Parkway is listed on the Australian Securities Exchange (ASX: PWN) and is emerging as an innovative player in water related sustainability solutions. With significant inhouse technical expertise and established partnerships, Parkway is well-placed to deliver the next generation of wastewater treatment plants, incorporating the company’s portfolio of world-class technologies.

Parkway operates through three (3) core business units, comprising:

- Parkway Process Solutions (PPS) – Parkway’s primary operating division and an emerging provider of industrial water treatment products, services, solutions and associated technology to customers throughout Australia. PPS has recently established commercial relationships with key water industry participants, including globally recognised OEMs;
- Parkway Process Technologies (PPT) – Parkway’s technology development, acquisition, and commercialisation division. PPT owns a portfolio of industrial wastewater treatment technologies, including the patented aMES® and iBC® process technologies. PPT has global aspirations and is supported by a network of strategic partners, including global engineering company Worley; and
- Parkway Ventures (PV) – holds a portfolio of project equity and royalty interests, including interests relating to Parkway’s Karinga Lakes Potash Project in the Northern Territory of Australia.

Additional information regarding Parkway, including an overview of the corporate structure of Parkway and the companies in its corporate group, can be found at: www.pwnps.com/pages/about-us.

SOCIAL MEDIA & EMAIL ALERTS

Parkway is committed to communicating with the investment community through all available channels. Whilst the ASX announcements platform remains the most appropriate channel for market-sensitive news about Parkway, investors and other interested parties are also encouraged to:

- follow Parkway on LinkedIn, Twitter, Facebook and YouTube; and
- subscribe for our email alert service, Parkway News Alerts, on our website (www.pwnps.com).