

29 March 2022

ASX ANNOUNCEMENT

Further Extension of Due Diligence Period to Investigate a Technology to Convert Solid Fuels to Energy

AustChina Holdings Limited (ASX: AUH): On 15 October 2021, AUH announced it had entered into a non-binding Memorandum of Understanding with Fortress Capital Limited to conduct due diligence on a new technology that could enhance AustChina's energy portfolio through the conversion of solid fuels including coal, municipal household and commercial waste, biomass, and other material to generate cleaner environmentally responsible electricity.

The company advises the Pilot programme is progressing. The terms of reference for Environmental Emission outcomes have been finalised together with the laboratory methodology. The company plans to test several feedstocks including coal and commercial industrial waste.

The pilot programme had been delayed due to the recent severe flooding situation in Sydney. We are pleased to advise now the testing facility is operational again, the pilot programme is now set for 7th April 2022.

The company advises it has reached agreement with Fortress Capital to extend the Due Diligence period by a further 2 months.

This process has the potential to reduce carbon emissions and utilise fuel sources such as coal, municipal household and commercial waste that would otherwise go to landfill to produce energy for its own purposes or for sale to the electricity grid.

AustChina will, after completion of the due diligence determine the applicability of the technology, and optimal application of the technology for the advancement of its energy portfolio.

Should the company accept that the technology will be beneficial, it will secure the exclusive rights to the technology within Australia, all countries in the Middle East and will have first right of refusal to any territory outside the exclusive territory.

The company continues to explore methods for best use of its coal resource at its Blackall deposit and other energy projects.

Yours faithfully

Daniel Chan - Chairman

Authorised for release by Chairman of the Board

Further information:

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