

27 May 2021

CORPORATE UPDATE – NUMBER 14 – Interim Dividend for Half Year 31 March 2021

The Board has determined that based on the Half Year Results \$400,000 will be distributed to shareholders as a Fully Franked Interim Dividend at \$0.0023/share

Interim Dividend June 2021

Following a review of the Half Year ending 31 March 2021 and ongoing operational and corporate activity the Board has made a determination to distribute \$400,000 to Shareholders.

The distribution will be as Fully Franked Dividends at \$0.0023/share (franking rate of 26%) on or about 4 June. The Record Date will be 31 May.

Half Year Financial Report

The financial report for the Half Year ending 31 March will be posted in the investor section of the company website in coming days.

Operational Activities

The 2020 Offset Reports and ACCU claims for Projects 1 and 2 normally submitted late in each calendar year were deferred to allow an assessment of whether forest impact from the 2019-2020 drought was material.

To undertake the assessment, high resolution multi spectral aerial images were captured in October. The images were analysed to identify live trees and crown cover to a 0.2Ha scale (as required by the methodology) and this data was cross referenced to drone and on-ground observations and images, and the results were as follows:

- The area of Project 1 was reduced by 120Ha from 5,710 to 5,590Ha.
- The assessment of Project 2 is near completion, and it is likely that the total area of Project 2 will be reduced by 1,200Ha from 11,000Ha to 9,800Ha.
- Given the nature of the ACCU Offtake Agreements associated with the projects through to 2027 the area reduction will have limited impact on revenue until post 2027 when the company becomes solely reliant on project area productivity.

In April cyclone Seroja crossed the coast of WA and evidence of impact has been observed on 6 properties. The impact ranged from isolated broken limbs through to trees being blown over, and the significance ranged from what will amount to a thinning event that will benefit unaffected trees and have no net affect through to areas that may need to be removed from the Projects. With the affected areas being determined to have been less than 5% of the Project areas no immediate action is required and the status of affected areas will be monitored and addressed in future Offset Reports.

In March a Project 1 Offset Report and ACCU Claim was submitted to the Clean Energy Regulator, and the Regulator accordingly issued ACCUs in May.

The first round of field work relating to an Offset Report and ACCU Claim for Project 2 is scheduled to commence in June and based on additional phases of field and laboratory works an Offset Report will be submitted late in the calendar year.

Yours faithfully



Anthony Fitzgerald Managing Director and Company Secretary