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ASX Announcement

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SYNERTEC ANNOUNCES PARTNERSHIP WITH TRELLEBORG AB TO MARKET SYNERTEC'S LNG CUSTODY TRANSFER SYSTEM WORLDWIDE

ASX-listed Australasian engineering solutions company, Synertec Corporation Limited (ASX: SOP), will be proudly launching its partnership with Trelleborg Group's marine systems operation at Gastech Barcelona in September 2018.

Managing Director of Synertec, Mr. Michael Carroll said that under this new agreement, Synertec's industry leading LNG custody transfer system will be marketed across Trelleborg's global sales network to meet the growing needs of the rapidly expanding LNG global market.

"When we were looking to partner, Trelleborg's strategy resonated with ours - 'to secure leading positions in selected segments', which means to seek niches that, by virtue of our applications, knowledge and range of advanced products and solutions, also provide market leadership.

"It's not only exciting, but also gratifying that Trelleborg, regarded as a world leader in its field, saw the potential in Synertec and our expert know how in analyser systems, and specifically in LNG custody transfer, as being able to advance their own strategy," said Mr Carroll.

Trelleborg AB is headquartered in Sweden and listed on the Nasdaq Stockholm, with annual revenues of around 3.3 billion euro and operations in 50 countries. The marine operation of the Trelleborg Offshore & Construction business manufactures and installs bespoke fender systems, docking and mooring equipment, oil and gas transfer technology and vessel efficiency technology for marine environments all over the world.

President of Trelleborg's marine systems operation, Mr. Richard Hepworth, said of the new agreement "There are clear synergies between the two companies, from our combined technical expertise to our shared commitment to optimising the interface, which is critical to supporting the business model of every transfer operation. Working with Synertec, we are able to provide our customers across the globe with an enhanced LNG transfer operation that does exactly that."

Synertec has already become world renowned for innovative best design and build capability in analyser systems, which is itself an increasingly important field as customers drive to increase the quality and efficiency of assets, reduce costs and meet regulatory requirements.

"And the LNG Custody Transfer technology is a prime example of our expertise in analyser systems which is gaining world leading status in terms of accuracy when compared to more traditional solutions," said Mr. Carroll.

With global LNG demand rising by an estimated 7.6% per annum since 2000, broad consensus of industry analysts is predicting average annual growth of around 5-6% per annum¹.

¹ <http://www.gasprocessingnews.com/features/201310/advancements-improve-custody-measurements-for-lng.aspx>



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Mr. Carroll further explained that; “The fiscal custody transfer of LNG happens at multiple points in the LNG supply chain. For example, from liquefaction plants, which could be on land or floating, to ships for transportation and trading, and back into storage facilities. Synertec can offer a solution at each custody transfer event within the supply chain and Trelleborg offers a very clear channel to market for each of these events through their existing network. In my opinion it is a very compelling value proposition for customers”.

LNG custody transfer has long involved fiscal risk given significant uncertainties in traditional tank measurement. Quantities are invoiced in units of transferred LNG based on a calculation of volume, density, and gross caloric value. However, measurement inaccuracies have a significant financial impact for both exporters and importers. For instance, a one percent error in LNG transferred can equate to as much as a \$600,000 to \$800,000 AUD in misallocation or disputes during custody transfer¹.

“Synertec’s LNG custody transfer system is one-of-a-kind, certified by both the National Measurement Institute (NMI, Netherlands) and EfecTech (UK), ensuring the most precise online measurement of loaded LNG. It’s this precision and speed that could save Operators millions of dollars a year” Mr. Carroll said.

The Synertec LNG custody transfer system has been field-proven to provide a substantial ROI and as such has earned accolades from some of the world’s LNG majors in providing significant benefits, including:

- Improved profitability
- Accelerated cash cycle
- Reduced (if not eliminated) custody transfer disputes
- Reduced (if not eliminated) reliance on laboratory testing
- Full compliance with ISO6974, ISO 8943 and GIIGNL (2017)
- 3rd party certified by NMI and EfecTech

“We’ve built a strong reputation across Australasia and now, boosted by the global reach of Trelleborg, we look forward to meeting the global demand for more accurate and efficient LNG custody transfer. Further, this is an excellent opportunity for us to significantly advance our growth strategy – being Synertec’s demonstrated ability to solve unique complex engineering challenges for Australian clients, and then exporting those products and solutions to international assets,” said Mr. Carroll

Visit www.synertec.com.au for more information.

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