

SHAREHOLDER AND INVESTOR UPDATE Q4 FY2021.

Dear Shareholder,

On behalf of CleanSubSea's Board and Management Team, I am pleased to provide you with an update on the activities of your Company during Q4 FY2021.

CORPORATE

COVID-19

As the world battles to manage the COVID-19 pandemic, the circumstances facing some of our key target International markets continues to impact our timeline for securing overseas sales/leasing opportunities for Envirocart systems in the near term. Despite these challenges, we have maintained strong engagement with our interested parties and are close to closing out contracts with several In Water Hull Cleaning Technology operators.

CAPITAL RAISING

The Board is pleased to share with shareholders that CleanSubSea raised over \$1 Million in the recent equity capital raising via a private placement at the same price point as our recent cornerstone investors at \$0.06 per share.

The funds from this raising are a precursor that leads up and into the runway for our planned ASX listing later in the year. This will include funding for a prospectus & preparatory work for the ASX, completion of another Envirocart unit, further establishing international marketing & business development channels, and general working capital.

Our Corporate Advisor and Lead Manager, CPS Capital, continue to provide strong support and guidance with potential capital sources and institutional investors, and we are pleased to have the benefit of CPS's collective advice and support.

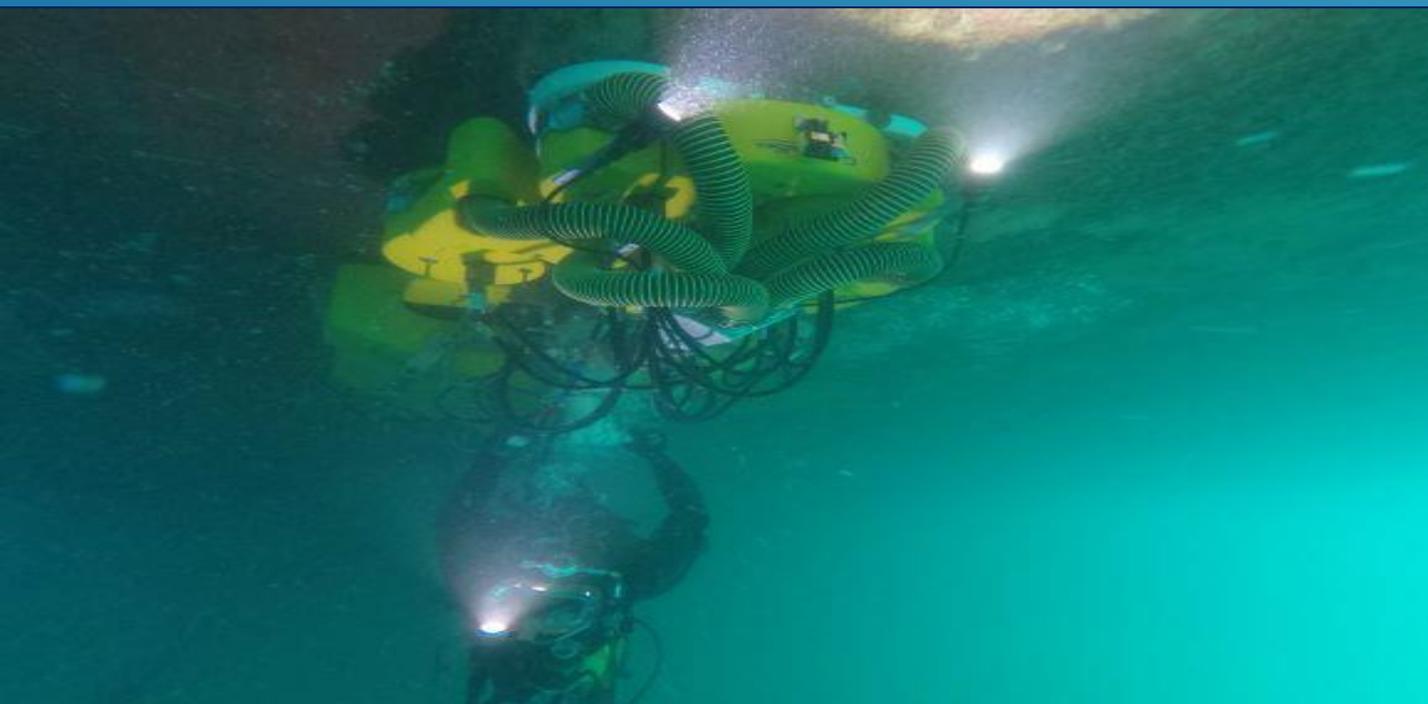
One of our recent cornerstone investors continues to offer further funds upon achieving certain milestones. The Board is of the view that these milestones are achievable, notwithstanding the current state of the economy and remain a backstop for further capital if required.

ASX LISTING UPDATE

The Company has begun preparing for a planned ASX Listing.

Q4 HIGHLIGHTS

- COVID-19 Impacts
- CSS Develops Sales/Leasing Agency Agreement with K&K Marine in the United Kingdom to service Europe
- CSS Develops Sales/Leasing Agency Agreement with Barbarian Diving & Marine Services to service Namibia and South Africa
- Additional international market opportunities in the UK, Germany, South Korea, Spain and US progress
- CSS ASX Listing Preparation commences
- Envirocart Manufacturing Timeline
- Fortune 50 company opportunity proceeds to next stage





OPERATIONS

Despite the added challenges of the current market, CleanSubSea is pleased to provide the following update on our operations and progress. We are also happy to advise that discussions with potential sales/lease agents in Europe and Africa are ongoing with considerable interest in our technology and its deployment to markets in those regions.

ENVIROCART MARKET OPPORTUNITIES

➤ Australia

Our Australia licensed operator, Franmarine Underwater Services, continues to pursue and secure cleans with the Royal Australian Navy. CleanSubSea is currently in discussions with Franmarine for the lease of additional Envirocart systems to fast-track growth in the domestic market.

➤ United Kingdom

CleanSubSea is in final negotiations with K&K Marine to establish a Sales/Leasing Agency Agreement in the United Kingdom to service the local UK market and further afield in Europe. K&K Marine is already in negotiations with several local underwater diving service providers for leasing Envirocart systems.

➤ South Africa

A considerable amount of interest has been received from South Africa, Mozambique and Namibia. South Africa is situated on one of the busiest international sea routes, critical to international maritime transportation, and its geographical location presents a huge opportunity for investing in a diversified maritime market. Transnet National Ports Authority (TNPA) which is one of five operating divisions of SOE Transnet is responsible for the safe, effective and economically efficient functioning of the national ports system, encompassing eight commercial seaports, which it manages in a 'landlord' capacity. Interest has been expressed through a sub-contractor who has recently joined Transnet in a Partnership Agreement. We will keep shareholders abreast.

➤ Namibia

CleanSubSea has signed an MOU Licensing Agreement to sell one Envirocart system and lease another to a maritime service provider. A formal CSS Sales Agreement has been sent and awaiting final signature.

➤ United States

CleanSubSea continues negotiations with two significant maritime service companies in the US to either purchase or lease our Envirocart system. While both companies remain keen to have access to the Envirocart technology, Covid continues to hamper our progress as travel restrictions prevent personnel being able to come to Western Australia and inspect the Envirocart system and observe a demonstration.

We are in discussions with the US Navy around the magnetic drive of our Envirocart technology. Along with other maritime sectors and key target locations, the US Navy and US Coastguard remain a primary long term commercial objective of the Company.

➤ Canada

CleanSubSea is supporting two competing commercial bids with its Envirocart technology for a tender opportunity to provide IWHC services to Canadian Naval vessels. We will update any progress made on this opportunity as they come to hand.

➤ Germany

Our activities in the German market continue to gain traction as CleanSubSea collaborates with a large diving underwater service provider to present solutions to the German authorities for the reintroduction of IWHC activities in Germany.

➤ France

We are also pleased to advise that we are currently in discussions with a diving operator in France. We anticipate active negotiations with this French Operator in Q2 FY2022.

➤ Fortune 50 Opportunity

The Company is pleased to advise negotiations with a Fortune 50 company have successfully progressed further. CleanSubSea anticipates receiving in late July the approved Project Plan and the Project Budget Funding Agreement from the client. Note, funding for the project will be provided by the Client.



OPERATIONS

ENVIROCART MANUFACTURE TIMELINE

Despite the current lockdown, the manufacture of two new Envirocarts is expected to be completed later this month. Envirocart units 3 & 4 are scheduled for production completion before the end of this calendar year.

QUALITY ASSURANCE – ISO & LLOYDS TQ CERTIFICATION

CleanSubSea understands as it prepares for manufacturing multiple Envirocart systems, which will be sold or leased into different locations around the world, it is critical to apply build quality standards that will ensure reliability and longevity of the equipment in operation. Accordingly, a structured quality assurance program has been established and is being actively pursued. This will include ISO certification and securing Lloyds Technical Qualification certification. Along with quality assurance standards, these steps will also lead to streamline manufacturing processes and a reduction of associated costs.

HUMAN RESOURCES

The Company is pleased to announce that Rory Anderson has moved into the role of Managing Director. Rory's key focus will be working closely with CFO, Koon Loy Mark, towards progressing current identified, revenue generating market opportunities, the successful listing of the company on ASX and further growing the business overseas.

As the commercial roll out of Envirocart units' proceeds, CleanSubSea continues to strengthen its management team. We are pleased to announce the recent addition of Peter Maidment. Peter has joined us as Engineering and Technical Manager. Peter is a highly skilled project and operations Manager with over 19 years international and Australian experience leading a wide range of oil and gas engineering, installation and operational contracts including pipelay, subsea construction, FPSO hookup and decommissioning, field maintenance/IMR, ROV, air/sat diving and supply vessel/AHT fleet management.

FINANCES

The Company continues to manage its cash position very carefully, with a focus on building the two new Envirocart units. Incoming funds from the private placement will effectively support efforts for suitable runway milestones to be in place for the planned ASX listing.

WEBSITE UPGRADE & NEW LOGO

The Company is pleased to advise the CSS brand has been successfully updated to include a newly designed website, video, logo and style guide. The website has been commissioned and is now live. The video for the website is near completion and further updates will be shared when available. Website remains as www.Cleansubsea.com.au CleanSubSea has also adopted a new logo which incorporates the company name.

BIOPASS™

CleanSubSea is pleased to confirm with Shareholders that BioPass™ Pty Ltd the joint venture company (51% owned by CleanSubSea), has successfully used block chain technology to survey and catalogue an underwater asset. This is possibly a world first as the Port of Fremantle from their offsite office were able to take an active role in the survey in real time. The BioPass System was able to record key elements captured on a Ethereum based block chain platform, creating a self auditing, permanent record of the survey.

BioPass still has as a priority for a show case demonstration to the Royal Australian Navy, while also pursuing other commercial opportunities both domestically here in Australia and overseas. To expedite this growth plan, BioPass has employed Mat Harvey as its inaugural General Manager. Mat has worked as a Marine Scientist for 14 years, working on oil and gas projects as well as infrastructure development projects across the southern hemisphere. More recently, Mat has completed his Software Engineering qualification from UWA. His primary focus will be introducing the BioPass platform to potential users and securing contracts that realise revenue in the near term.

Thank you for your ongoing support and commitment to CleanSubSea. If you have any questions or would like to discuss any of the details presented in this newsletter, I encourage you to contact myself via email or phone.

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