

SHAREHOLDER AND INVESTOR UPDATE Q4 FY2022

Dear Shareholder,

On behalf of the Board and Management at CleanSubSea, I am pleased to provide you with an update on the activities of your Company during Q4 FY2022.

CORPORATE

COVID-19

Under current government directives, Western Australia's border restrictions have been lifted to allow potential international customers to travel to Perth to inspect the new Envirocart System.

ASX LISTING UPDATE

The company is currently targeting and continuing to progress towards an ASX listing in 2023.

Additional contracts are required for CleanSubSea's listing as well as further establishment of international marketing & business development channels, and general working capital.

Based on our most recent financial forecasts for sales/leasing contract revenue, and given the time delays imposed by the pandemic, the Board believes this updated time frame to be an achievable one.

Q4 HIGHLIGHTS

- CleanSubSea signs LOI for two new Envirocart systems in New Zealand.
- CleanSubSea is in advanced negotiations for four additional Envirocart system contracts in Singapore, UAE, Norway and Brazil.
- CleanSubSea relocated to new offices in August 2022.
- CleanSubSea targets ASX Listing in 2023.
- First new Envirocart system is in the final stage of commissioning with an ETA in South Africa, October 2022.
- Oil & Gas Fortune 50 company recommits to the need for customised Envirocart systems for decommissioning assets.
- CleanSubSea is a finalist in PortXL Accelerator Program selection process.

ENVIRO CART SYSTEM FOR SOUTH AFRICA





ENVIROCART MARKET OPPORTUNITIES

Following the lifting of WA's Covid restrictions we are beginning to see growing interest from potential international customers wishing to visit the Company facilities and meet with CleanSubSea's executive management to finalise contracts for purchasing and leasing of the Envirocart. The Company has now developed a pipeline of multiple opportunities with various entities in different markets around the world.

Current opportunities being progressed include:

South Africa

The Company is pleased to advise that commissioning of the new Envirocart system is expected to be completed in September with an ETA in South Africa, October 2022.

New Zealand

CleanSubSea is in final stage negotiations with a partner in New Zealand. Signed LOI's are in place, finalised agreements are expected in October 2022.

Singapore

Diving operator, Nereus, visited our facility in early July 2022. It was a positive visit with Nereus executive management continuing to express their intent to acquire two Envirocart systems for their operations in Singapore. Our Chief Financial Officer, Koon Loy Mark, is currently in Singapore, and is conducting the next round of discussions with Nereus. The Company looks forward to sharing further details in due course.

Norway

The Company is currently in advanced discussions with a large In-Water Hull Cleaning (IWHC) diving operator located in Norway with face-to-face meetings planned for September 2022. The Company looks forward to sharing further details in due course.

UAE

Our potential client in Abu Dhabi have reconfirmed their intent to proceed with leasing an Envirocart system for their local operations. Face to face discussions are planned to proceed in 2022. The Company looks forward to sharing further details in due course.

Fortune 50 Opportunity

The Company is pleased to advise that it has re-engaged with a Fortune 50 Oil & Gas company in Brazil regarding the opportunity to provide a customised Envirocart system for decommissioning assets, with a planned start date of Q1/Q2 2023. As previously mentioned, funding for the project will be provided by the customer. The Company looks forward to sharing further details in due course.

China

The Company has decided to put our discussions with our Chinese partner on hold due to the current Covid conditions in China.

OPERATIONS

CleanSubSea is pleased to provide the following update on our operations and progress during Q4 FY2022.

CLEANSUBSEA HAS MOVED

The lease on our current facility has come to an end and the property owner has sold the premises.



Effective 1st of August 2022, CSS offices relocated to Unit 1, 226 Barrington Street, Bibra Lake, 6163 WA
All other contact details remain the same.

ENVIROCART MANUFACTURE TIMELINE

The Company is pleased to advise that commissioning of the new Envirocart system is expected to be completed in September 2022. This includes the integration of remotely operable capabilities across the whole system.

QUALITY ASSURANCE – ISO & LLOYDS APPROVAL IN PRINCIPLE (AIP)

A structured QHSE management system which incorporates a quality assurance program, continues to be developed and followed.

The Company continues to pursue ISO 9001:2015 approval.

FINANCE

The Company continues to manage its cash position prudently and carefully.

INTERNATIONAL LEGISLATION AND ACCREDITATION

Baltic And International Maritime Council (BIMCO)

CleanSubSea continues to participate in BIMCO's IWHC focus groups and providing advice for new international standards being released.

International Maritime Organisation (IMO)

CleanSubSea maintains its direct line of sight contact with the International Maritime Organisation through its founding membership status of the IMO GloFouling Initiative . CleanSubSea continues to ensure it is firmly at the front edge of this curve and the legislative changes that are being prepared to be introduced.

International Organization for Standardization (ISO)

CleanSubSea is a proactive participant in the working group looking to develop an internationally recognised ISO standard for IWHC and expect to be one of the first technologies in the world to achieve this standard of certification with Lloyds.

JUNE 2022 EVENT PARTICIPATION – PERTH'S SOCIETY FOR UNDERWATER TECHNOLOGY (SUT)

CleanSubSea's Engineering and Technical Manager, Peter Maidment, gave a presentation at Perth's SUT June Evening Technical Meeting, to an audience of approximately 100 representatives from varied oil and gas and shipping industries, as well as government departments. The evening's topic was "Marine Growth Issue" and saw presentations by Woodside, Oceaneering and TMT focusing on dealing with marine growth on subsea infrastructure and assets, followed by CleanSubSea's presentation on marine growth on vessels, and the development and demonstration of the Envirocart technology.

The Envirocart is markedly different to typical SUT technology presentations and provoked keen interest and discussion. CleanSubSea personnel who attended were also able to discuss and promote the Envirocart technology during the networking session that followed the presentation and received very favorable feedback on the presentation and the Envirocart itself.

Further details can be found at:

<https://sut.org/event/perth-june-evening-technical-meeting-2/>
and

<https://sut.org/branch/australia-perth/events/event-photos/etm-june-22/>



SEPTEMBER 2022 EVENT PARTICIPATION – PORTXL World Port Accelerator

PortXL was founded in 2015 in Rotterdam, The Netherlands, as an independent foundation with the vision of cultivating a spirit of innovation within the global maritime industry. A global entrepreneurship hub for start-ups and scale-ups in the logistics, maritime, green energy and process industry sectors.

Their mission is to create a networking effect by connecting globally every port, and the organisations operating within that port cluster (including start-ups & scale-ups), on the topic of innovation and have them actively participate on search, match and accelerate.

CleanSubSea has been approved after a rigorous elimination process, to attend the final selection days on the 6th and 7th of September 2022 in Rotterdam.

Accelerator: An intensive 3-month program which focuses on building your business. This includes market validation, finding clients, masterclasses etc.

Business Fast Track: a 3-month process that includes validating your technology with corporate partners and building a business case with the aim to close one or multiple deals.

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 the Company.

David Johnston

Non-Executive Chairman

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