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Verdant Technologies Australia contemplates potential US listing – CEO

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Verdant Technologies Australia is considering an initial public offering at home or potentially in the US, the Australian renewable energy developer's Chief Executive Officer (CEO), Richard Poole, said.

The New South Wales-based company, which aims to be a major hydrogen producer on the East Coast of Australia, plans to go public in the first half of 2021, Poole said. It has been approached by an American investment bank for a potential US listing, he said, declining to be more specific.

It expects to decide on the listing venue “in the coming days”, the CEO said. He did not disclose whether any advisory mandate has been made, officially or unofficially.

While Poole did not disclose how much the company could raise in the IPO, the funds would go towards a bankable feasibility study (BFS) for its Monarch Hydrogen asset, which is poised to be Australia's first scalable hydrogen production plant, as well as fund network reconnection at the project, and “a few other bits and pieces”, he said.

Meanwhile, Verdant Technologies expects to close its launched AUD 2m (USD 1.6m) pre-IPO private placement by Friday (26 February), and Poole anticipates it will be oversubscribed.

Barclay Pearce Capital is managing the pre-IPO raise.

The company is selling 12.5m shares, at AUD 0.16 each, to professional and sophisticated investors via a private placement. Funds raised will be used, among other purposes, to accelerate critical preparatory work and to complete a pre-feasibility study (PFS) into the development of the Monarch Hydrogen asset, as reported.

The company is looking to build a “low transmission cost facility” at its AUD 550m Biomass 151MW Redbank Power Station in the Hunter Valley. It will be Australia's first hydrogen production plant to be located behind the meter on an existing green baseload power plant, according to a company document.

Poole said the Monarch Hydrogen project construction is expected to cost EUR 22m (AUD 34m). The facility is projected to be capable of generating AUD 20m in revenue, and AUD 4m-AUD 5m in earnings before interest, tax, depreciation and amortization, based on the initial 6.5 tonnes per day output. Verdant Technologies plans to

expand that to 60 tonnes per day by 2028, as reported.

Research firm Frost & Sullivan projected in a November 2020 report that global hydrogen production would rise to 168m tonnes per annum by 2030 from 71m tonnes per annum in 2020. The industry is expected to grow to USD 420bn from USD 177.3bn in the decade to 2030.

Other hydrogen producers on the East Coast include Real Energy [ASX:RLE] and Liberty Hydrogen. The two in January 2021 signed a binding term sheet to establish a joint venture company Pure Hydrogen International to develop four large-scale hydrogen hubs in Queensland, NSW, and Victoria, as reported.

The CEO noted that hydrogen trucks could be a solid customer base for the company, naming US-based Nikola Corporation [NASDAQ:NKLA], which is a hydrogen truck company that has presented a number of zero-emission vehicle concepts since 2016, as one example.

by Adam Orlando in Perth

Write to Adam Orlando at adam.orlando@acuris.com

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Confirmed

TARGET

[\[company record pending\]](#) 

Financial advisor

[Barclay Pearce Capital Pty Limited](#) 

TARGET

[\[company record pending\]](#) 

OTHERS

[Real Energy Corporation Limited](#) 

[Nikola Corporation](#) 

[\[company record pending\]](#) 

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USA

States

Arizona (AZ)
New York (NY)

Sectors

Energy
Utilities (other)

Sub-Sectors

Alternative energy
Electrical power generation
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