

HAZER GROUP CORPORATE AND TECHNICAL DEVELOPMENT UPDATE

- **Financial analysis and actions to reduce operating costs**
- **Corporate restructure advancing to align with next stage of growth**
- **Increased focus on fastest commercialisation pathways for graphite and hydrogen**
- **Multiple reactor options being tested to diversify development pathways**

PERTH, AUSTRALIA 19th June 2018: Hazer Group Limited (“Hazer” (ASX:HZR)) is pleased to provide an update on the Company’s corporate, financial and technical development activities as well as introduce the various reactor technologies being tested in parallel with the primary pre-pilot plant.

A presentation capturing the key communication areas is attached as reference.

FINANCIAL

Hazer has completed a detailed financial analysis with the aim of increasing the company’s capital runway. As a result of these initiatives, Hazer forecasts the cost saving benefits will be realised in Q3 / Q4 2018.

CORPORATE

Hazer is also in the process of reviewing and updating the corporate strategic plan and market communication strategy to achieve the best commercialisation roadmap, with improved communication of business progress to the market.

The recent addition of Simon Rushton to the Board has also significantly strengthened the commercial and corporate capabilities of the Company, and significant interest has been received from a range of candidates for the currently vacant CEO position. Candidates are currently being shortlisted.

COMMERCIAL

The Mineral Resources Limited (MRL) partnership is progressing well and providing many synergies, including cost savings and opportunities towards early commercialisation of the Hazer Process. Hazer’s pre-pilot plant relocation to Western Australia is also in execution, and the consolidation of the Hazer technical team is underway, with planning commenced to identify off-take partners for graphite product.

Both local and global interest in Hazer is increasing, particularly in the growing clean hydrogen market, presenting a growing pipeline of opportunities currently under consideration.

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TECHNICAL DEVELOPMENT:

Hazer is currently evaluating multiple development pathways to expedite commercialisation of the technology, with a focus on optimising both graphite and hydrogen production and producing optimal reactor technologies to suit specific business case scenarios.

Alternative reactor systems to the St Mary's Pre-Pilot Plant have been investigated to optimise the suitability of other reactors for specific markets, demonstrating the flexibility of the Hazer Process in different application scenarios and providing increased commercial opportunities. The reactor types are summarised below.

Fluidized Bed Reactor (FBR)

- Core Hazer development path
- Highest efficiency reactor for this process
- Good operational and product flexibility
- High purity hydrogen and graphite potential

Paddle Tube Reactor (PTR)

- Novel reactor development path in partnership with MRL
- Focused primarily on high quality graphite production
- High operational flexibility
- High purity graphite and hydrogen potential

Rotary Tube Reactor (RTR)

- Precedented Off-the-shelf equipment technology
- Batch process with potential for continuous
- Some operating condition and flexibility constraints
- Medium purity hydrogen and graphite potential

The attached presentation includes a diagram of current test program pathways being pursued, target timelines and nominal scales of graphite production capacity planned. Reactor tests completed to date show approximate unpurified graphite production rates achieved and are pending detailed analysis. A full announcement of technical data and results on these alternate reactor tests will be released once complete.

[ENDS]

ABOUT HAZER GROUP LTD

Hazer Group Limited (“Hazer” or “The Company”) is an ASX-listed technology development company undertaking the commercialisation of the Hazer Process, a low-emission hydrogen and graphite production process. The Hazer Process enables the effective conversion of natural gas and similar feedstocks, into hydrogen and high quality graphite, using iron ore as a process catalyst.

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Hazer Group Limited - Social Media Policy

Hazer Group Limited is committed to communicating with the investment community through all available channels. Whilst ASX remains the prime channel for market sensitive news, investors and other interested parties are encouraged to follow Hazer on Twitter (@hazergroupltd), LinkedIn, Google+ and Youtube.





Hazer Group

Corporate and technical development update – June 2018

Overview

The following is a high level update on Hazer's corporate, commercial and technical development, along with an introduction to the various reactor technologies being tested in parallel with the primary pre-pilot plant.



Financial



Corporate



Commercial



R&D

Financial

Actions to reduce operating costs and **increase financial runway:**

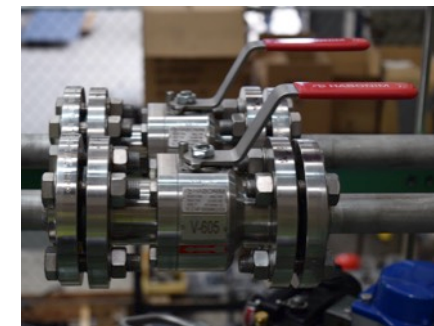
- + Detailed financial analysis completed
- + Organisational changes and consolidation of team underway
- + Reduction in expenditure to de-risk business plan
- + Healthy cash balance will increase business longevity
- + Cost saving benefits to be realised in Q3/Q4 2018



Corporate

Strategic planning and corporate development are **advancing**:

- + Transition of senior management underway for next stage of growth
- + Range of CEO candidates being shortlisted and interviewed
- + Simon Rushton increases Board's commercial and corporate experience
- + Realignment of the business to enable best commercialisation roadmap
- + Market communication plan to improve communication to shareholders



Commercial

Focusing on high value / **fastest commercial pathways:**

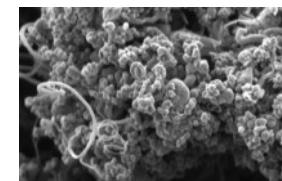
- + Increased global interest in Hazer, particularly in the growing clean hydrogen market
- + Design options commenced for small hydrogen demonstration plant
- + Planning commenced to identify off-take partners for graphite product
- + Progressing discussions on various partnership and investment options
- + Pre-Pilot Plant relocation to Western Australia in execution



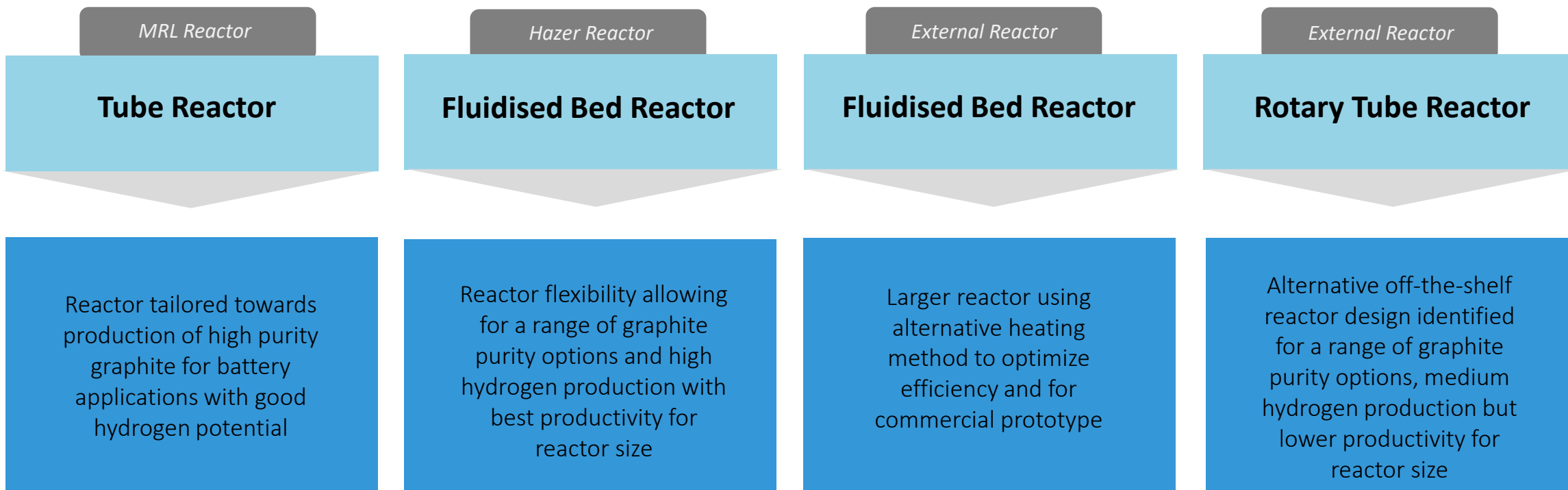
Research & Development

Driving process technology and **commercial viability**:

- + Multiple reactor options being tested using Hazer technology (see next page)
- + Graphite research underway identifying key market applications
- + Process kinetics to maximise hydrogen production for market applications
- + Investigating purification options to produce high value graphite
- + Collaborating with Mineral Resources for graphite research



Multiple Reactor Options Using Hazer Process



Reactor Trials

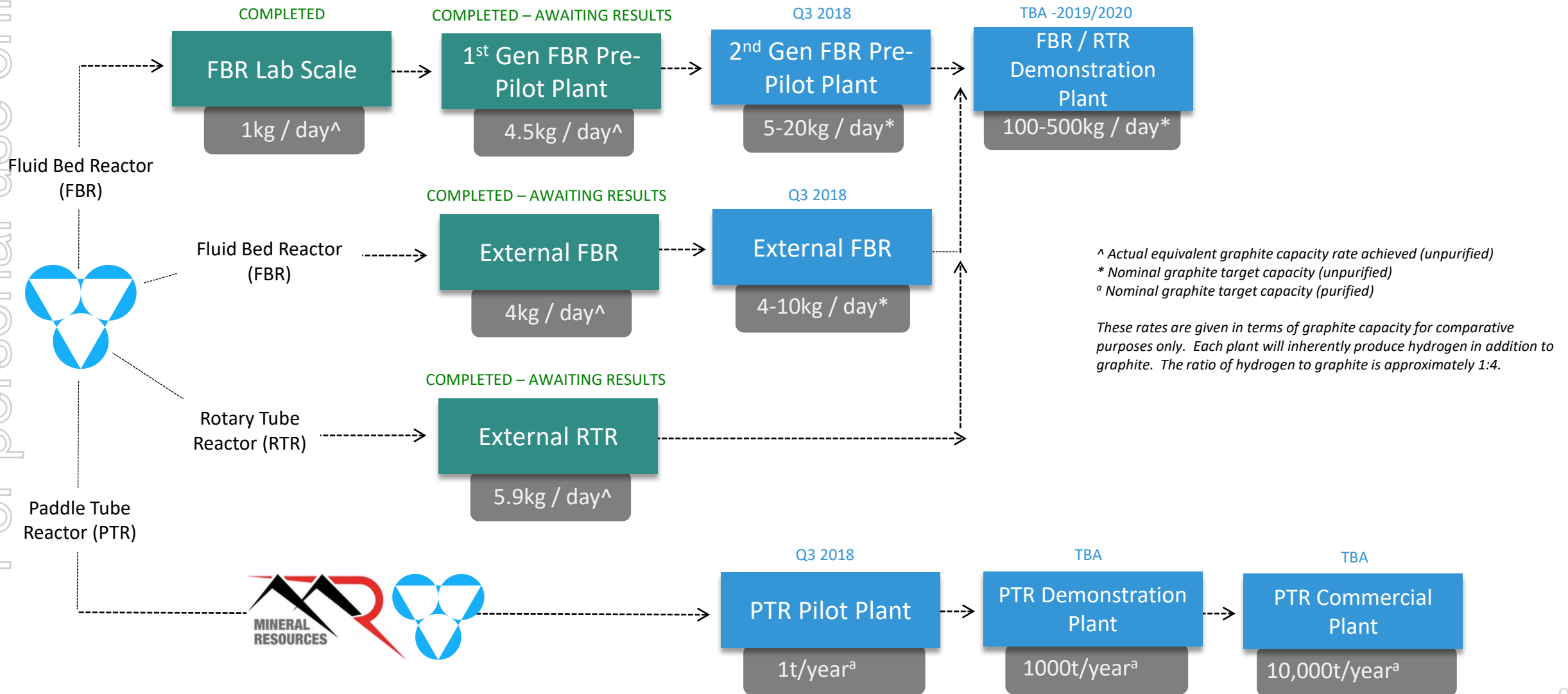
Alternative reactor technologies to contribute towards the **overall development pathway**

- + Testing underway in parallel to current Hazer and MRL reactor development
- + Potential to demonstrate the flexibility of HZR technology
- + Enhances and diversifies HZR technology application portfolio
- + Provides increased commercial opportunities to target specific markets
- + Data gained will be directly applied to both Hazer and MRL projects



Reactor Pathways

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