

FOR DEMONSTRATION AND COMMERCIAL PLANTS

- Front End Engineering and Design (FEED) for a demonstration plant, and concept engineering study for a commercial plant commences.
- Business case for commercial facilities begins.

PERTH, AUSTRALIA, 23 AUGUST 2018: Emerging hydrogen and graphite producer Hazer Group Ltd (ASX: HZR) has engaged GLP Group Pty Ltd to progress Front End Engineering and Design (FEED) for a small demonstration plant together with a concept engineering study for a commercial plant based on the Hazer process.

GLP Group is an Australian owned and operated engineering services company, providing innovative processing design and technologies to the petrochemical, oil & gas, refining, mining and waste treatment industries both in Australia and around the world.

"Together with our internal team of technical specialists, the outcome of this study is to build a more compelling business case for a Hazer commercial plant and provide independent commercial data to allow us to better evaluate Hazer's potential for both hydrogen and graphite production in both local and global markets," said Hazer Group acting CEO, Mark Edwards.

FRONT END ENGINEERING DESIGN FOR A DEMONSTRATION SCALE PLANT:

GLP Group has been commissioned to complete a FEED study for a small demonstration plant. This plant will target a production capacity of approximately 100 kg per day of high purity hydrogen, which was determined as a suitable size for a small localised hydrogen vehicle supply project. This equates to approximately 500 kg per day of combined hydrogen and graphite nameplate capacity.

The demonstration plant will utilise the Hazer process as a fully integrated, continuously operating technology, at practicable scale, with proven capability to supply a final product to market.

This demonstration plant will also establish the technology application prototype for the design and construction of future commercial facilities.

The FEED study will deliver a cost estimate for the construction of a demonstration plant, allowing for installation options to be considered.

"Hazer has aspirations to develop a project in Perth to supply local buyers of hydrogen, but also the demonstration plant aims to showcase the Hazer process to the world," Mr Edwards said.

CONCEPT ENGINEERING STUDY FOR A COMMERCIAL SCALE PLANT:

GLP Group has also been commissioned to complete a concept engineering study for a commercial plant, leveraging off the work done in the FEED study. This commercial plant will target a production capacity of circa 2,500 t/year of high purity hydrogen, that could be used for application in the hydrogen vehicle industry as an example. This equates to a circa 12,500 t/year of combined product (hydrogen and graphite) nameplate capacity.

The concept engineering study will generate preliminary capital and operating expenditure data, allowing for the development of project economics data as well as the development of a business case for future commercial facilities for the Hazer process as a fully integrated, standalone, commercial scale plant.

SCHEDULE AND APPLICATION:

Both the FEED and concept engineering studies are scheduled for completion by approximately mid Q4 2018. Hazer will utilise the study data and outcomes to evaluate and progress opportunities for the ongoing design (detail engineering design) and construction of a demonstration plant capable of supplying final product to market.

Additionally, Hazer will incorporate the commercial scale study data and outcomes to further develop commercial opportunities and to establish cost points for its intended commercial products of hydrogen and graphite.

"This will be a milestone study by an independent group to provide some robust economic data to set us on a solid foundation for the commercialisation of the Hazer process," said Mr Edwards.

NOTE:

There has been no decision made to proceed with construction of a demonstration and/or commercial plant pending outcome of the studies.

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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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