

HAZER GROUP AND WATER CORPORATION AGREE MEMORANDUM OF UNDERSTANDING

- *Hazer Group and Water Corporation agree Memorandum of Understanding to collaborate on potential development of first Hazer low emission hydrogen production facility*

PERTH, AUSTRALIA; 31 MAY 2019: Hazer Group (ASX:HZR) is pleased to announce that it has entered into a Memorandum of Understanding with Water Corporation to collaborate in principle to explore the development of a 100 ton per annum, low emission, hydrogen production facility based on Hazer's proprietary production technology at the Woodman Point Wastewater Treatment Plant.

The Hazer Commercial Demonstration Plant will be the first fully integrated, operational production facility based on the Hazer Process, and represents the key next step in fully commercialising the Hazer technology.

Waste-water treatment plants are significant producers of biogas as they manage the reduction and safe disposal of organic wastes. This resource is currently either used to generate electrical power and provide process heat to site operations or destroyed through flaring. The potential to use biogas as the feedstock to produce two high value products represents a significant opportunity to reduce emissions, increase the value of waste-to-resource recovery and provide a valuable local source of renewable hydrogen as a transport fuel, industrial feedstock or source of renewable energy.

Originally developed at the University of Western Australia, Hazer Group's novel hydrogen and graphite production technology offers a low cost, low emissions alternative to existing commercial hydrogen production methods. The Hazer Process utilises methane as a feedstock to produce hydrogen and graphite, without the production of carbon-dioxide in the reaction process and capturing the carbon in the feedstock as solid graphite.

Following a successful pilot program in 2018, Hazer has recently completed a Front-End Engineering and Design Study for a Commercial Demonstration Plant. This FEED Study identified an effective process design that supported the scale-up and roll-out of a fully functional, integrated Hazer plant based on the positive pilot results.

"We're very pleased to have secured Water Corporation's agreement to work together to locate our Commercial Demonstration Plant in Western Australia. We greatly appreciate the support and assistance of the Water Corporation team in achieving this significant milestone in our development." Hazer Group Managing Director and CEO, Geoff Ward said.

"We believe the potential to use locally produced biogas as a feedstock for the Hazer process is a compelling proposition. It offers a combination of low production costs, significant carbon abatement and proximity to future users of hydrogen as a transport fuel in bus fleets, heavy transport fleets and large industrial users, while adding significant value to a waste resource.

"We believe this first project will be an effective demonstration of the potential for this model to be replicated at larger commercial scale both in Australia and internationally."

The Hazer Commercial Demonstration Plant will be fully owned and operated by Hazer. Hazer aims to commence detailed design, approval, and early procurement activities by mid-2019 with the completion of construction and commencement of commissioning targeted for end 2020. As previously advised in our most recent Quarterly Update, discussions with potential hydrogen offtake partners and project funders are continuing and, the Company remains focussed on securing the necessary agreements in line with delivering the targeted end 2020 start-up date.

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ABOUT HAZER GROUP LIMITED

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 methane feedstocks, into hydrogen and high quality graphite, using iron ore as a process catalyst.

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Hazer Group Limited - Social Media Policy

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ABOUT WATER CORPORATION

Water Corporation is a Western Australian State Government Owned Corporation principally responsible for the production and supply of drinking water, the treatment and disposal of wastewater and the supply of drainage services in WA.

Background and general information about the Water Corporation activities can be found here: (<https://www.watercorporation.com.au/about-us>).

