

APPLICATION FOR ARENA FUNDING SUCCESSFUL

PERTH, AUSTRALIA; 2 SEPTEMBER 2019: Hazer Group (ASX:HZR) is pleased to announce that our application for funding from the Australian Renewable Energy Agency (ARENA) under the Advancing Renewables Program has been approved by the Board of ARENA. The Board of ARENA has approved ARENA to enter into negotiations for a funding agreement of up to \$9.41 million to support the construction and operation of the Hazer Process Commercial Development Project.

The Hazer Process Commercial Demonstration Project is a 100 ton per annum low emission hydrogen production facility that will be the first large scale, fully integrated deployment of the Hazer Process. The Hazer Commercial Demonstration Project is proposed to be located at the Water Corporation's Woodman Point Waste-Water Treatment Plant, utilising biogas produced at the treatment plant as feedstock to produce hydrogen and graphite. The design and construction phase of the Project is scheduled to be completed in December 2020, with operations running from January 2021 to December 2023. The Commercial Demonstration Project has an estimated capital cost of \$15.8 million.

The approval of Hazer's application comes following a rigorous application process undertaken over the last six months. The funding application proposed a total funding package of \$9.41 million, including a grant facility of \$7.9 million to support the capital expenditure phase of the project, and \$1.5 million to support the operating phase of the project. Overall, the proposed ARENA funding is expected to cover 40.9% of the total project costs over the total duration of the demonstration project.

Any funding advanced will be contingent on Hazer and ARENA executing a Funding Agreement and the satisfaction of certain conditions, in a form acceptable to ARENA, including the completion of a Biogas Supply and Hydrogen Offtake agreements, and demonstrating sufficient financing to allow completion of the project.

Hazer Managing Director, Geoff Ward said "We are delighted to have progressed through ARENA's process and been selected for funding. We gratefully acknowledge the support of the Australian Government through the important phase of commercial development for this novel Australian technology.

Hazer would like to thank the team at ARENA for their support in progressing this application. We look forward to working with ARENA to finalise the Funding Agreement and satisfy the required conditions expeditiously.

There is enormous potential for hydrogen to play a significant role in the Australian economy through providing energy storage, services in grid support and resilience, in direct use as a transport fuel, and as a source of low emission heat and power. The completion of the Hazer Commercial Demonstration Plant is a key step to demonstrate the robustness and value of our technology and position Hazer to capture opportunities in this important growth market."

[ENDS]

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.

ABOUT THE HAZER COMMERCIAL DEMONSTRATION PROJECT

The Hazer Commercial Demonstration Project (CDP) will be a 100 ton per annum hydrogen production facility that will be the first large scale, fully integrated deployment of the Hazer Process. The hydrogen produced will be fuel cell grade capable of being used as a low emission transport fuel in addition to industrial or power generation applications. In addition to the hydrogen product the Hazer CDP will produce approximately 380 tonnes of synthetic graphite.

In May 2019, a Memorandum of Understanding (MOU) was agreed between Hazer Group and Water Corporation to collaborate to develop the Hazer CDP at the Woodman Point Waste-Water Treatment Plant (WWTP), located in Munster, WA. Under the MOU it is proposed that biogas from the Woodman Point WWTP will be used as the feedstock for the Hazer CDP which will also be located on the Woodman Point WWTP site.

In July 2019, Hazer appointed Primero Group as the preferred engineering contractor for the Hazer CDP under an Early Contractor Engagement (ECI) scope of work. Under this contract detailed design activities are underway to deliver a fully costed EPC proposal and long lead item procurement packages. This phase of work is scheduled to be completed in November 2019.

The Hazer CDP has an estimated capital cost of \$15.8 million. Design and construction activities (commenced in July 2019) are anticipated to take ~18 months with operations expected to commence from January 2021. Financial Close on the Project is expected in November / December 2019.

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