

## **ARENA FUNDING AGREEMENT ADDITIONAL INFORMATION**

**PERTH, AUSTRALIA; 23 MARCH 2020:** Hazer Group (ASX: HZR) would like to provide the following additional information with regards to the operation of material terms of the binding funding agreement with the Australian Renewable Energy Agency (ARENA), announced on the ASX on 16 March 2020.

We note that the additional material terms outlined in this announcement can be varied by mutual agreement with ARENA as the detailed engineering, funding and commercial milestones outlined in the Funding Agreement are progressed.

As previously announced, under the Funding Agreement, Hazer will be eligible to receive milestone funding payments of up to \$7.9 million in three tranches during the capital construction phase of the project subject to meeting defined key design, contracting, construction and commissioning milestones.

The milestones are:

Tranche 1 (\$2.22m) - Detailed Design and Long Lead Items Procurement – satisfaction of deliverables including provision of initial detailed design to support an EPC contract, a safety management plan, an executed EPC contract and executed contracts for material scope items

Tranche 2 (\$1.77m) – Completion of Site Civil Works – satisfaction of deliverables including evidence that site civil works are complete and confirmation from approval authorities that the work complies with development approvals for the site

Tranche 3 (\$3.92m) – Completion of Construction and Commencement of Commissioning – satisfaction of deliverables including evidence that the plant has reached practical completion, provision of a commissioning plan, evidence that all relevant approvals have been obtained to operate the plant and provision of a Hazard Study.

As also announced, Hazer will be eligible to receive milestone funding payment of up to \$1.5 million in three annual tranches during the operational phase of the project (currently projected to commence from commissioning in 1Q 2021). Each of these three tranches has a maximum amount of \$0.5 million or 41.5% of Operating Losses for the Project during each assessment period. Eligibility for each tranche will require Hazer to complete various reporting deliverables on the learnings and outputs of the project as it completes each year of the planned 3-year operating phase.

The agreement can be terminated by ARENA under various circumstances including; if the conditions precedent are not satisfied by the CP Satisfaction Date being 30 June 2020, if there is a Material Breach of the Agreement (which is not remedied within 10 Business Days or some other time agreed with ARENA), or in the case of an insolvency event. The items defined as a Material Breach and other terms relating to Termination are considered to be usual for an agreement of this nature.

Geoff Ward, Hazer Group Managing Director commented, “We are delighted to have completed this agreement with ARENA and continue to progress design, permitting, procurement and commercial activities to maintain the substantial progress we have made in the past 12 months. The ARENA agreement represents an outstanding foundation for the Project, with fair terms, and building on ARENA’s substantial experience in successfully managing grant programs to support innovative renewable energy projects.”

This announcement was authorised for release by the Managing Director of the Company.

**[ENDS]**

## Forward Looking Statements

This announcement may contain certain “forward looking statements” which may not have been based solely on historical facts, but rather are based on the Company’s current expectations about future events and results.

Where the Company expresses or implies an expectation or belief as to future events or results, such expectation or belief is expressed in good faith and believed to have a reasonable basis. However, forward looking statements are subject to risks, uncertainties, assumptions and other factors, which could cause actual results to differ materially to futures results expressed, projected or implied by such forward looking statements.

The Company does not undertake any obligation to release publicly any revisions to any “forward looking statements” to reflect events or circumstances after the date of this announcement, or to reflect the occurrence of unanticipated events, except as may be required under the applicable securities laws.

## 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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