

HAZER COMPLETES \$8.4M PLACEMENT AND EXECUTES \$6.0M DEBT TERM SHEET

PERTH, AUSTRALIA; 12 JUNE 2020: Hazer Group (ASX: HZR) (**Hazer** or the **Company**) is pleased to announce that it has received binding commitments from institutional and sophisticated investors to successfully raise gross proceeds of \$8.4 million ("**Placement**"). The Placement closed early due to strong demand and was upsized from an initial \$6 million target to \$8.4 million, utilising the existing placement capacity. Further bids were received in excess of the final Placement amount.

The Company is also pleased to announce the execution of a non-binding Term Sheet for a \$6.0 million senior secured loan facility from Mitchell Asset Management (ABN 65 123 804 491) ("**Loan Facility**"). The parties are now progressing binding documentation for the Loan Facility.

This financing package, along with the previously announced grant from the Australian Renewable Energy Agency (**ARENA**) under the Advancing Renewables Program, will meet the funding requirements for the Company's Commercial Demonstration Plant ("**CDP**"), the first fully integrated, operational production facility based on the Hazer Process. The Company anticipates being in a position to make a Final Investment Decision ("**FID**") for the project within our planned timeframe of mid-2020.

The proposed Hazer Process CDP is a 100 tons per annum, low-emission hydrogen production facility that will be the first large-scale, fully integrated deployment of the Hazer Process. It is proposed to locate the CDP at the Water Corporation's Woodman Point Waste-Water Treatment Plant in Western Australia. The CDP will utilise biogas produced at the treatment plant as feedstock to produce hydrogen and graphite. The CDP represents the key next step in fully commercialising the Hazer technology.

Placement Details

The Placement will result in the issue of 20,000,000 new fully paid ordinary shares at an issue price of \$0.42 to raise \$8,400,000 (before costs). The issue price represents a discount of 26.3% to the last traded price of \$0.57 and a discount of 17.5% to the volume weighted average market price of the Company's shares on the ASX during the last 15 trading days.

The net proceeds from the Placement will be used to construct the CDP and support Hazer's ongoing research and development program into applications for our graphite advanced carbon material, business development activities, and general working capital.

Settlement of the Placement is expected to occur on Wednesday 17 June 2020, with issue and trading of Placement shares expected to commence on Thursday 18 June 2020.

The Placement represents the amount allowable within Hazer's placement capacities under ASX Listing Rule 7.1 and 7.1A and will not require shareholder approval.

Viriathus Capital Pty Ltd acted as Lead Manager to the Placement.

Loan Facility Term Sheet

Mitchell Asset Management is an ASIC licenced AFSL holder (320019) which provides bespoke funds management, investment and corporate advisory services. It provides loans to companies that are expanding their products and services to manage cashflow, preserve equity and assist with growth

The secured Loan Facility has an expiry date of 31 March 2025 and Hazer will be eligible to call down three tranches of \$2.0 million each during the capital construction phase of the project, subject to meeting

milestones in the ARENA Funding Agreement and other conditions typical for a debt facility of this type. Repayment of the Loan Facility is scheduled to align with projected R&D Tax Incentive Program rebates generated by the CDP project and the Loan Facility can be repaid at the Company's election at any time during the life of the loan.

The Loan Facility is subject to agreeing satisfactory binding documentation and final investment committee approval from the lender, which is anticipated to be completed over the next approximately 4 weeks.

Update of ARENA Funding Agreement

Funding under the funding agreement with ARENA dated 16 March 2020 (**Funding Agreement**) remains contingent on Hazer satisfying certain conditions precedent, in a form acceptable to ARENA, including completion of binding Biogas Supply Agreement and Hydrogen Offtake Agreements and demonstrating the financial capacity to complete the project.

On 26 May 2020, the Company announced the execution of a binding Gas Supply Agreement and Collaboration Deed with Water Corporation for the supply of biogas and co-location of the CDP at its Woodman Point Wastewater Treatment Plant.

In regards the condition precedent relating to the completion of binding offtake agreements, on 16 December 2019, Hazer announced the signing of a non-binding term sheet with BOC Limited for hydrogen offtake from the proposed Hazer Commercial Demonstration Project at its Woodman Point Wastewater Treatment Plant. Hazer has been continuing discussions with BOC Limited regarding the execution of a binding agreement in respect of Hydrogen Offtake in parallel with the funding and development of the Project. Whilst discussions are continuing, a binding agreement has not yet been executed, and in parallel Hazer has identified other hydrogen use opportunities including for self-consumption.

The Company continues to work with ARENA to satisfy the remaining conditions precedent in the Funding Agreement and is confident that it will be able to meet these conditions precedent in the timeframe required to achieve proposed scheduled drawdowns under the Funding Agreement.

Tim Goldsmith, Chairman of Hazer Group, commented:

“We are delighted by the strong support that has been shown for Hazer in this raising and welcome our new shareholders to the company. With the completion of this funding package, Hazer is strongly positioned to construct, commission, and operate our Commercial Demonstration Project, a major milestone in scaling up the Hazer technology. I look forward to working with the Hazer team to finalise the project arrangements and take a Final Investment Decision on the project in the immediate future.

We would also like to recognise and thank all our existing shareholders for their support to allow us to make the significant progress we have over the last 12 months. I would also like to thank Water Corporation for their engagement and support in completing the binding agreements for biogas supply and project collaboration, and ARENA for their ongoing support in funding this exciting Australian developed technology. We look forward to continuing to work with you to deliver an excellent project.”

This announcement was authorised for release by the Board 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 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 methane feedstocks, into hydrogen and high-quality graphite, using iron ore as a process catalyst.

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