

CDP FUNDING ARRANGEMENTS UPDATE

PERTH, AUSTRALIA; 19 NOVEMBER 2020: Hazer Group Ltd (“Hazer” or “the Company”) (ASX: HZR) is pleased to provide the following update in relation to its third party funding arrangements for the Hazer Commercial Demonstration Plant (CDP):

ARENA Funding Agreement, \$2.2 million Milestone 1 grant released

In March 2020, Hazer executed a binding Funding Agreement with the Australian Renewable Energy Agency (ARENA) for grant funding of up to \$9.41 million under the Advancing Renewables Program to support the design, procurement, construction and operation of the Hazer CDP.

Under the Funding Agreement, Hazer is eligible to call down up to \$7.9 million of funding in three tranches during the capital construction phase of the project subject to meeting key design, contracting, construction and commissioning milestones, with up to a further \$1.5 million available to be called down in three annual tranches during the operational phase of the project. The total grant funding of \$9.41 million is held in a Hazer bank account, jointly controlled by Hazer and ARENA and funds can be withdrawn from this account upon approval by ARENA that the relevant funding milestone has been achieved.

Hazer is pleased to advise that the \$2.2 million Milestone 1 grant has been released and is available for use by the Company.

The Milestone 2 grant of \$1.77m is subject to 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 and is anticipated to be released in Q1 calendar year 2021.

MAM Loan Facility, first \$2.0 million tranche drawn down

In July 2020, the Company executed binding agreements with Mitchell Asset Management (MAM) in its capacity as trustee for the Mitchell Asset Management Go-Innovation Finance Fund (ABN 88 447 520 706) for a \$6 million senior secured loan facility to support the construction of the CDP.

The key purpose of the loan is to fund the R&D activities associated with the construction of the CDP, however, the loan may also be utilised to improve the short term liquidity of the Company and cover the lending costs. The loan, which will be called down in 3 tranches of \$2 million each, has a term of up to 5 years with repayments to be made from future R&D Tax Incentive payments received by Hazer. MAM will hold security over all future R&D Tax Incentive rebates received by the Hazer, as well as a registered security interest over the present and future assets of Hazer, under a general security deed granted by Hazer in favour of MAM.

The first \$2.0 million tranche has now been drawn with \$0.951million (being the FY20 R&D Tax Incentive rebate received in October 2020) immediately repaid in line with the loan repayment schedule.

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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