

## HAZER COMMERCIAL DEMONSTRATION PROJECT UPDATE

**PERTH, AUSTRALIA; 03 SEPTEMBER 2021:** Hazer Group (ASX: HZR) is pleased to provide the following update on the progress, cost and schedule of the Hazer Commercial Demonstration Project (CDP) being constructed at Water Corporation's Woodman Point Water Recovery Facility. The CDP will be the first-of-its-kind, fully integrated, operational production facility based on the Hazer Process and represents the key next step in fully commercialising the Hazer technology.

Progress continues with engineering, procurement, fabrication and construction activities achieving milestones in civil construction and commencement of mechanical construction.

Fabrication of process modules and equipment items has progressed at vendor sites, with many packages now either completed and received into storage or completed and being held at vendor sites until required on-site. Key equipment packages that have been completed include; Biogas Pre-treatment Unit, Compression Equipment (Process and Recycle Compressors), Cyclone and Filter Package, Graphite Screw Conveyors, Process Conveyors, Gas Chromatograph and Analysers, flare packages and catalyst lift crane. Transformer equipment required for the connection to grid has been secured and the installation schedule agreed with Western Power.

Civil construction activities have progressed well, with deep foundations, trenching and main underground cabling activities completed. Civil construction works are expected to be completed in the first week of September with the completion of final concreting works. Mechanical construction has begun with commencement of work on pipe racks and main structure and installation of mechanical equipment related to the Biogas Pre-Treatment Unit (CO<sub>2</sub> removal unit).

While most project items have remained on schedule, we have seen delays with the fabrication and supply of high temperature materials required for the main reactor vessel, high-temperature heat exchangers and high-temperature piping. These delays have occurred due to disruption related to Covid-19 related restrictions in China impacting mill operations, and the impacts of Typhoon In-fa on scheduled shipping deliveries between China and Australia. The fabrication of the main reactor shell has been delayed due to changes in the production schedule of the selected mill. While we are yet to finalise the expected delivery date for the reactor vessel to the Australian fabricator for detailed completion, we expect that the delay will result in the overall project schedule slipping. We now estimate that commissioning of the project will be achieved in Q1 2022, rather than our previous target date of December 2021.

We maintain our current guidance of \$21 - \$22 million for the cost of the CDP. We will work closely with our engineering partner, Primero, to minimise any additional costs incurred through the anticipated delay or increased shipping and freight costs to ensure that we maintain efficient productivity through the construction and installation activities.



Delivery of equipment for future installation



CDP Construction Site at 2 September 2021

Geoff Ward, Chief Executive Officer of Hazer Group said “We remain pleased with the progress of the CDP, in particular achieving the completion of main civil works and commencement of mechanical construction. We are also pleased that key equipment items and modules are now being completed and delivered to site. The Hazer reactor and furnace is a complex, first-of-kind equipment package which is being made more challenging by the current operating environment with significant disruptions to supplier operations and freight schedules due to the global Covid-19 pandemic, which has impacted the delivery time of high-temperature materials for the reactor and heat exchangers. We will continue to monitor these issues and do all we can to mitigate the impacts on the 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.

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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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