

CANADIAN PROJECT UPDATE

- **FortisBC and Hazer assume joint operatorship of 2500 tpa Canadian hydrogen project from Suncor Energy.**
- **Engineering design package completes in Q3 2023 with Final Investment Decision expected in 1H 2024. Project start-up targeted for late 2025 / early 2026.**
- **Suncor withdraws from the project MOU as a result of a corporate portfolio review. Project expected to be minimally impacted.**

PERTH, AUSTRALIA; 10 July 2023: Hazer Group Ltd ("Hazer" or "the Company") (ASX: HZR) provides an update on the Company's joint venture project in Canada.

The Hazer-BC Project, based in Vancouver, British Columbia, is a joint venture to develop a commercial Hazer plant designed to produce up to 2,500 tonnes per annum (tpa) of hydrogen, a scale-up of 25 times on the Commercial Demonstration Plant ("CDP").

FortisBC, a leading Canadian energy utility owning significant natural gas, electric transmission and distribution infrastructure and a key partner will supply the natural gas feedstock to the project and purchase the hydrogen from the facility for blending into the Vancouver natural gas pipeline network in support of British Columbia's decarbonisation strategy. Hazer is providing the process technology and playing a lead role relating to the core Hazer technology components.

As a result of a corporate portfolio review, Suncor Energy has informed the Company and FortisBC that it will be withdrawing their participation from the project's non-binding Memorandum of Understanding ("MOU") effective 31 July 2023. The withdrawal is not related to the viability of the Hazer technology. The project is expected to be minimally impacted by Suncor's withdrawal as FortisBC and Hazer remain firmly committed to the ongoing development of the project and will jointly lead the project to Final Investment Decision ("FID").

Design and engineering work for the 2,500tpa plant and commercial scale reactor remain on track. Wood Group has made material progress on the Front-End Engineering & Design ("FEED") study, which is expected to be completed during August. The commercial scale reactor to be used for the project is the same improved reactor technology being developed by Hazer in collaboration with Hatch for the CDP and is therefore well advanced, with detailed engineering and early procurement for demonstration on the CDP to commence shortly.

The facility was planned to be located on a site owned by Suncor and Hazer is now working closely with FortisBC to identify alternative site locations. As a result, the targeted FID is expected to move from late 2023 to 1H 2024 to allow additional time to identify an appropriate site for the project. Concurrently a review of the schedule has resulted in a more streamlined work-scope, enabling the project to maintain a production start-up target of late 2025 / early 2026.

As previously announced, the project has received an initial government grant of C\$8 million which continues to support the project through to FID¹. Post FID, the project will be materially de-risked presenting a commercial opportunity to bring in new strategic partners, some of whom had previously already expressed interest. There is therefore no expected material change to Company's capital commitment to the project.

The project agreements framework has been established and definitive partnering, joint venture, licensing and other commercial agreements, that will replace the existing Memorandum of Understanding, are progressing well, with the objective of concluding commercial agreements by FID.

Hazer continues to accelerate its other commercial projects in Japan and France and prepare for the start-up of its CDP which remains on track to commence operation this year (refer announcement 30 May 2023).

¹ See ASX Announcement dated 28 April 2022.

Joe Mazza, Vice President, Energy Supply & Resource Development from FortisBC commented: “We remain firmly committed to the development of this important project for FortisBC and British Columbia and are pleased to be working with the Hazer Group, a global leader in the pyrolysis space, in developing this ground-breaking project in Canada. We gratefully acknowledge the support of the CleanBC Innovation Fund supporting low-carbon technology application”.

Glenn Corrie, Managing Director of Hazer Group, said: “Our project in Canada is a world-first and we are committed to driving it forward with FortisBC as our key partner and stakeholder in the project and is a prime example of climate leadership accelerating the transition to clean hydrogen using natural gas as a feedstock to decarbonise industry. North America is a strategic market for Hazer, and this is our flagship project in this important region, where we continue to advance other potential opportunities.”

Authorised for release by the Board of the Company.

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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 graphitic carbon production process. The Hazer Process enables the effective conversion of natural gas and similar methane feedstocks, into hydrogen and high-quality advanced carbon materials, using iron ore as a process catalyst.

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