

RENERGEN LIMITED

Incorporated in the Republic of South Africa
(Registration number: 2014/195093/06)

JSE Share code: REN

A2X Share code: REN

ISIN: ZAE000202610

LEI: 378900B1512179F35A69

Australian Business Number (ABN): 93 998 352 675

ASX Share code: RLT

("Renergen" or "the Company")



UPDATE ON R2D2 DRILLING: GAS ODOUR DETECTED

Natural gas and helium producer Renergen is pleased to update shareholders on the current inclined drilling programme.

As explained in the last quarterly update released on 31 March 2021, the Company was due to commence the drilling of well R2D2, reaching the first (pre-fracture system) target at the base of the Karoo formation around the end of the first week of May. We are pleased to advise that the drilling has progressed as anticipated, and the well has been drilled to the base of the Karoo formation, interpreted to be proximal to the target gas-bearing fracture system. Logging operations are underway in preparation for casing the well and applying for the requisite approvals to continue drilling in the WITS formation. Given this casing, logging and approval process is expected to take several weeks to complete, and the Company has elected to relocate the drilling rig to a new site, C3PO, where it will also drill to base Karoo pending the approvals to drill to final depth at the well R2D2.

We further advise shareholders that encouragingly, gaseous odours were detected in the deeper section of R2D2, consistent with the experience of the drilling of the successful well MDR1.

"We are through the most challenging part of the drilling on R2D2, with more precision than in our previous wells, so the learnings have not been in vain, and we expect our ability to hit targets will only improve as we go forward. While we are waiting on getting the casing set and completing the lengthy approval process to deepen the well, we have taken the opportunity to drill through the Karoo on the new site C3PO, which should deliver significant time savings on the overall drilling campaign.

The presence of the odour, however, is really good news, especially given the well is interpreted to be so close to the target fractures in the WITS, and we are drilling in the same type of geology as at the successful MDR1 well," said Stefano Marani.

Johannesburg
10 May 2021

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Designated Advisor
PSG Capital



PSG CAPITAL

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