

RENERGEN LIMITED

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

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A2X Share code: REN

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Australian Business Number (ABN): 93 998 352 675

ASX Share code: RLT

(“**Reenergen**” or “**the Company**”)



RENERGEN QUARTERLY UPDATE

In accordance with the ASX listing requirements, the Company has released a Quarterly Update which is available for viewing on the Company’s website at <https://www.renergen.co.za/asx-quarterly-activity-report-September-2022/>

The quarter marked a busy period with significant progress on several fronts:

- The Phase 1 plant is now producing liquefied natural gas (LNG);
- The Central Energy Fund has successfully completed due diligence on the proposed acquisition of 10% of Tetra4 Proprietary Limited;
- Two additional wells, Han (drilled during the quarter) and Don Vito, are being completed as gas producers; and
- Aeromagnetic and gravity surveys have been completed and are currently being interpreted. In parallel, existing seismic data are being re-processed to improve the imaging of potential gas-bearing structures. To date, significantly more targets than anticipated have been identified.

Production Status

The Virginia Gas Project commenced production of the country’s first commercial LNG on 5 September 2022, and from 19 September 2022 the plant began operating 24-hour shifts.

Production has commenced at around 1,000 GJ per day, which will be stepped up to around 1,400 GJ in the next month. From there it will be ramped up to a steady rate of 2,500 GJ (roughly 50 tons) per day by first quarter next year.

The helium module is the next part of the plant to be fully commissioned, with ongoing testing of the critical components in the helium liquefier. Thus far there have been no mechanical faults identified during the tests, so the team is looking forward to completing the tests in due course and commencing helium production.

During the quarter under review, ended 31 August 2022, there were no substantive production activities.

Central Energy Fund Deal

The Central Energy Fund and Reenergen signed a non-binding term sheet for the investment of ZAR 1 billion into the Virginia Gas Project in return for a 10% stake in Tetra4 Proprietary Limited at financial close, anticipated in 2023. The transaction was subject to completion of a due diligence, finalisation of agreements and approval by respective stakeholders. On 10 September 2022 the due diligence was successfully completed, indicating the transaction

should proceed subject only to approval of respective stakeholders and completion of the final agreements. The process is progressing well, and the parties are actively involved in bringing this transaction to conclusion by the anticipated financial close date.

Two New Production Wells

Han was drilled to a measured depth of 624 metres, striking gas of approximately 80,000 standard cubic feet (scf) per day. Drilling has been halted in order to log the well to delineate the gas bearing features in the well. The well has cost ZAR 2.73 million thus far and has an anticipated completion budget of ZAR 3.8 million.

The Don Vito well, drilled in June 2021 as a vertical pilot hole to log and determine the depth to the base of the Karoo (in order to plan the trajectories of wells R2D2 and C3PO), was examined during the quarter and commenced flowing gas. This commencement of gas production is interpreted as indicating that with the passage of time the well has cleaned up naturally; the well is now producing approximately 75,000 scf per day. Given the hole was a pilot hole, it was not anticipated to produce gas, and so is now being completed for production before being connected to the pipeline. The cost to drill the pilot hole was ZAR 1.41 million and completion of the well is anticipated to cost an additional ZAR 1.7 million.

Surveys Underway

Gravity and aeromagnetic surveys were undertaken earlier in September 2022 and the data are now being interpreted in order to improve the resolution of the geological model and optimise drillhole location accuracy. These surveys, together with seismic data reprocessed during the quarter, are showing increased prevalence of prospective sub-surface structures which if gas-bearing will have the potential to materially increase gas production capacity. The cost of the surveys amounted to ZAR 5.4 million. "Further work is still required before any of these data will be useable in the field, but this is a welcome surprise and could be quite a positive outcome for us from a geological perspective," said Stefano Marani, CEO.

Johannesburg
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Designated Advisor
PSG Capital

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www.renergen.co.za