

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

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



PLANT UPDATE

Reenergen wishes to update investors on the status of the plant and its operational capacity amidst growing speculation about the plant. The LNG system is complete, and the preliminary performance data show the LNG exceeds design specifications. The onsite storage tanks and virtual pipeline tankers are full. Ceramic Industries onsite installation is complete and fully commissioned, while Consol’s site is now cooled down with nitrogen waiting for final commissioning and handover to take place.

The helium train was tested, and all components are working as designed, with the microturbines creating the cooling effect as required.

During the test, the helium train was super cooled to within near helium liquefaction temperatures before the test had to be paused due to a utility proving to be unreliable. The utility in question is the conduction oil system providing lubrication and heating to the plant. The utility was incorrectly installed and was providing inconsistent heating to the conduction oil, and in order to ensure no damage would be done to the plant, management decided to turn the plant off to repair the utility in question. It has now been corrected, reinstalled, tested and is operating reliably and within specification.

With the plant having been turned off to complete this repair, the Company has taken the opportunity to connect additional wells which were recently drilled, which will thus increase the output of the plant and brings the plant closer to within full design specification.

The process, from here is to pressurise the pipeline, prime the utilities and turn on the plant for steady state production, with LNG commencing first, and liquid helium turning on thereafter. The helium module has our full attention.

“Fundamentally there is no material difference to where the Company was three weeks ago. Had we pushed to continue to helium liquefaction point without pausing the operation, the risk to the plant was significant. While stopping the plant within hours of producing liquid helium was less than ideal and extremely frustrating to the whole team, and no doubt shareholders too, the decision was the correct one as the risk was simply too high. This commissioning has always been about ensuring minimal risk to turn on, not speed.

We are fully cognizant of the plant being delayed, but we have been working around the clock to ensure its safe turn on without damaging this critical investment which will operate for the next 20 years at least. Our shareholders’ faith in the team does not go unnoticed, and our primary focus is to deliver a fully functioning plant with the lowest possible risk,” said CEO Stefano Marani.

Johannesburg
26 October 2022

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