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**")

RENERGEN QUARTERLY UPDATE

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

- LNG module commissioned and producing LNG at a steady state;
- Helium module is in final commissioning and being readied to produce the first liquid;
- The Virginia Gas Project has achieved Strategic Integrated Project status by the government of South Africa under the Infrastructure Development Act, or SIP, elevating its status within the hierarchy of local projects and will benefit from significantly reduced timelines for all approvals required from government whilst increasing visibility when government prepares the country's strategic energy objectives;
- Commencement of regular deliveries of liquefied natural gas (LNG) to both Ceramic Industries and Ardagh Group, with a total of 133 tons of LNG delivered during the period;
- Completion of the 2D modelling of the gravity and aeromagnetic surveys;
- Identifying further additional areas from the surveys where gas-bearing structures are identified, including faults and further cap rock earmarking, highlight prospective areas of gas occurrence; and
- Data acquisition of 25 legacy (2 and 3D) seismic lines for re-interpretation in our area of interest spanning more than 100 kilometres of linear length.

LNG Plant operating to specification

Since the intervention in November, where the conduction oil system was repaired, the plant was brought back into operation with the production of LNG and almost daily deliveries to customers taking place, with the delivery of 133 tons of LNG during the initial turn-on and commissioning of both our customers' facilities during the latter part of November 2022.

Helium Plant commissioning

The nitrogen cold box achieved the targeted process conditions and is ready to be integrated with the LNG system offering the necessary pre-processing of the gas stream for helium liquefaction. Pre-cooling of the helium process achieved a temperature of -173.1° Celsius. Following this milestone, the helium cryogenic turboexpanders were integrated and achieved a target temperature of -248.15° Celsius.

The final step of the process is the integration of the helium compressor which will further drop the temperature from -248.15° Celsius to the requisite liquefaction temperature of -269.1° Celsius. This process is now at an advanced stage, and we believe we should be able to communicate the successful production of liquid helium to the market once this has been achieved. Whilst commissioning has been slower than anticipated due to the detection of a leak in the vacuum walls of the pipes of the helium system, the leak has now been located and corrected, allowing the team to move to the final step of commissioning with the integration of the helium compressor.

Surveys underway

Gravity and aeromagnetic surveys have been completed and the data is now being modelled in 3D across the reserve area. The surveys have provided enhanced resolution on a number of potential gas bearing features, including their extent, depth and orientation. In addition, several significant magnetic highs have been identified in the western part of the reserve area and is of particular interest as it is a series of cap rock above further newly identified gas bearing structures

Licenses and other matters

There has been no change to the Company's licence holdings.

Johannesburg
30 December 2022

Authorised by: Stefano Marani
Chief Executive Officer

Designated Advisor
PSG Capital

For Australian Investors & Media, contact Citadel-MAGNUS
Cameron Gilenko, 0466 984 953

To readers reviewing this announcement on the Stock Exchange News Service (SENS), this announcement may contain graphics and/or images which can be found in the PDF version posted on the Company's website.

www.renergen.co.za

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

RENERGEN LIMITED

ABN	Quarter ended ("current quarter")
93998352675	30 November 2022

Consolidated statement of cash flows		Current quarter ZAR'000	Year to date (9 months) ZAR'000
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	14 712	16 043
1.2	Payments for		
	(a) exploration & evaluation	(630)	(1 126)
	(b) development	-	-
	(c) production	(433)	(940)
	(d) staff costs	(1 695)	(5 495)
	(e) administration and corporate costs	(18 663)	(22 323)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	250	1 263
1.5	Interest and other costs of finance paid	(103)	(241)
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other (provide details if material) – - Restricted cash	(921)	(31 509)
1.9	**Net cash used in operating activities**	**(7 483)**	**(44 328)**

2.	**Cash flows from investing activities**		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	(48 458)	(274 780)
	(d) exploration & evaluation	(21 683)	(59 791)
	(e) investments	-	-
	(f) other non-current assets – other intangible assets	-	(11 713)

Consolidated statement of cash flows		Current quarter ZAR'000	Year to date (9 months) ZAR'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	**Net cash used in investing activities**	**(70 141)**	**(346 284)**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	50 000	382 869
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	17 876
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	(1 367)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	(30 777)	(66 937)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other – lease payments	(254)	(1 673)
3.10	**Net cash from financing activities**	**18 969**	**330 768**

4.	**Net increase/(decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	98 259	95 088
4.2	Net cash used in operating activities (item 1.9 above)	(7 483)	(44 328)
4.3	Net cash used in investing activities (item 2.6 above)	(70 141)	(346 284)
4.4	Net cash from financing activities (item 3.10 above)	18 969	330 768
4.5	Effect of movement in exchange rates on cash held	4 488	8 848
4.6	**Cash and cash equivalents at end of period**	**44 092**	**44 092**

5.	**Reconciliation of cash and cash equivalents** at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	**Current quarter ZAR'000**	**Year to date (9 months) ZAR'000**
5.1	Bank balances	18 486	18 486
5.2	Call deposits	25 606	25 606
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	**Cash and cash equivalents at end of quarter (should equal item 4.6 above)**	**44 092**	**44 092**

6.	**Payments to related parties of the entity and their associates**	**Current quarter ZAR'000**
6.1	Aggregate amount of payments to related parties and their associates included in item 1	734
6.2	Aggregate amount of payments to related parties and their associates included in item 2	4 229

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

The amounts disclosed under 6.1 and 6.2 relate to remuneration paid to directors and prescribed officers.

7.	**Financing facilities** *Note: the term "facility' includes all forms of financing arrangements available to the entity.* *Add notes as necessary for an understanding of the sources of finance available to the entity.*	**Total facility amount at quarter end ZAR'000**	**Amount drawn at quarter end ZAR'000**
7.1	Loan facilities	870 401	870 401
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	**Total financing facilities**	**870 401**	**870 401**
7.5	**Unused financing facilities available at quarter end**		**-**
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

The foreign currency (US$) denominated loan included in the amount disclosed above was translated at a rate of R16.9655/US$ on 30 November 2022.

DFC Loan

Tetra4 entered into a US$40.0 million finance agreement with the US International Development Finance Corporation (“DFC”) on 20 August 2019 (“Facility Agreement”). The first draw down of US$20.0 million took place in September 2019, the second draw down of US$12.5 million in June 2020 and the final drawdown of US$7.5 million on 28 September 2021. Tetra4 shall repay the loan in equal quarterly instalments of US$1.1 million (R18.7 million using the rate at 30 November 2022) on each payment date beginning on 1 August 2022 and ending on 15 August 2031. The loan is secured by a pledge of the Group’s assets under construction, land and the Debt Service Reserve Account.

The first drawdown of $20.0 million attracts interest of 2.11% per annum. Interest on the second and final drawdowns is 1.49% and 1.24% per annum, respectively. Interest is payable by Tetra4 to the DFC quarterly on 15 February, 15 May, 15 August and 15 November of each year (“Repayment Dates”) for the duration of the loan. This interest is capitalised to assets under construction within property, plant and equipment in line with the Group policy. Interest paid during the quarter totalled US$0.2 million (R2.9 million).

A guaranty fee of 4% per annum is payable by Tetra4 to DFC on any outstanding loan balance. The guaranty fee is payable quarterly on the Repayment Dates. Tetra4 paid guaranty fees totalling US$0.4 million (R6.7 million) during the quarter.

A commitment fee of 0.5% per annum was payable by Tetra4 to the DFC on any undisbursed amounts under the Facility Agreement. Commitment fees were payable quarterly on the Repayment Dates. Tetra4 did not pay any commitment fees during the quarter as there were no undrawn amounts during the period.

An annual maintenance fee of US$0.04 million is payable by Tetra4 to the DFC for the duration of the loan term and is payable on 15 November of each year, commencing on 15 November 2020. The maintenance fee covers administrative costs relating to the loan. Tetra4 paid maintenance fees totalling US$0.04 million (R0.6 million) during the quarter under review.

The DFC loan outstanding at 30 November 2022 amounted to US$37.8 million (R641.9 million).

- **IDC loan**

Tetra4 entered into a R160.7 million loan agreement with the IDC on 17 December 2021. An amount of R158.8 million was drawn down on 22 December 2021 and is repayable in 102 equal monthly payments commencing in July 2023. The loan terms include a 12-month interest capitalisation and an 18-month capital repayment moratorium. The loan accrues interest at the prime lending rate plus 3.5% and is secured by a pledge of the Group's assets under construction, land and the Debt Service Reserve Account. The IDC loan outstanding at 30 November 2022 amounted to R177.7million.

Molopo loan

Tetra4 entered into a R50.0 million loan agreement with Molopo on 1 May 2013. This loan was part of the conditions of the sale of shares in Tetra4 from Molopo to Windfall Energy Proprietary Limited. The loan agreement is for the period from inception of the loan on 1 May 2013 until 31 December 2022. During this period, the loan is unsecured and interest free. The loan can only be repaid when Tetra4 declares a dividend and utilising a maximum of 36% of the distributable profits in order to pay the dividend. If by 31 December 2022 the loan is not repaid, the loan shall bear interest at the prime lending rate plus 2% and will have no repayment terms. It is not expected that the loan will be repaid in the next 12 months given the unavailability of distributable profits. As such, the loan has been classified as long term. The loan advanced to Tetra4 by Renergen can only be repaid after the loan from Molopo has been settled.

The loan is discounted to present value for the period that it is interest free, at a discount rate which is equal to the prime lending rate plus 2.00% which at 30 November 2022 is 12.50% (prime lending rate of 10.50% plus 2.00%). The imputed interest expense is included in profit and loss. The fair value of the loan amount outstanding at 30 November amounts to R50.7 million.

Debt covenants

The following debt covenants apply to the DFC loan:

a) Tetra4 is required to maintain at all times i) a ratio of all interest bearing Debt to EBITDA of not more than 3.0 to 1; (ii) a ratio of Current Assets to Current Liabilities of not less than 1 to 1; and (iii) a Reserve Tail Ratio of not less than 25%.

(b) Tetra4 is required to maintain at all times (i) a ratio of Cash Flow for the most recently completed four (4) consecutive full fiscal quarters, taken as a single accounting period, to Debt Service for the most recently completed four (4) consecutive full fiscal quarters, taken as a single accounting period, of not less than 1.30 to 1; and (ii) a ratio of Cash Flow for the most recently completed four (4) consecutive full fiscal quarters, taken as a single accounting period, to Debt Service for the next succeeding four (4) consecutive full fiscal quarters of not less than 1.3 to 1.

(c) Tetra4 is required to ensure that the Debt Service Reserve Account is funded in the aggregate of all amounts due to the DFC within the next 6 months.

The covenants in a) and b) will apply 18 months after the completion of the construction of the Virginia Gas Plant. The Group has complied with the covenant under c) above for the quarter and believes that it will be able to comply with the covenants throughout the tenure of the loan.

"Reserve Tail Ratio" means for any calculation date, the quotient obtained by dividing (a) all of the Borrower's remaining Proved Reserves as of such calculation date by (b) all of the Borrower's Proved Reserves as of the date of this Agreement.

The following debt covenants apply to the IDC loan.

a) Tetra4 is required to maintain the same financial and reserve tail ratios as mentioned under the DFC loan.

b) In addition, Tetra4 shall not make any shareholder dividend distribution, repay any shareholders' loans and/or pay any interest on shareholders' loans or make any payments whatsoever to its shareholders without the IDC's prior written consent, if:

- Tetra4 is in breach of any term of the loan agreement; or
- the making of such payment would result in a breach of any one or more of the financial ratios above.

The covenants in a) will apply from 1 August 2023. The Group has complied with the covenant under b) above for the quarter and believes that it will be able to comply with the covenants throughout the tenure of the loan.

8.	**Estimated cash available for future operating activities**	**ZAR'000**
8.1	Net cash generated from operating activities (item 1.9)	(7 483)
8.2	Payments for exploration and evaluation classified as investing activities) (item 2.1(d))	(21 683)
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(29 166)
8.4	Cash and cash equivalents at quarter end (item 4.6)	44 092
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	44 092
8.7	**Estimated quarters of funding available (item 8.6 divided by item 8.3)**	**1.51**

Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.

8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:

8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer: Commercial deliveries of LNG to customers commenced in the first week of December 2022, and this is generating meaningful revenue, it will be further bolstered when helium revenue commences early in the calendar year 2023, both revenue sources combined provides a strong and positive impact on the Company's funding profile. The Company has various long term take-or-pay supply agreements with both local and foreign customers for LNG and helium.

8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer: On 22 November 2022, the Company announced the successful placement of 4.4 million shares supported by investors in Australia, New Zealand and South Africa which raised R107.6 million of which R50.0 million was received during the quarter and the balance of R57.6 million in December 2022. The Company also continues to engage with its lender and investors to raise additional funding for Phase 2 of the Virginia Gas Project.

8.8.3	Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?
	Answer: The Company is continuing operations as outlined under 8.8.1 and 8.8.2.

Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.

Compliance statement

1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.

2 This statement gives a true and fair view of the matters disclosed.

Date: **30 December 2022**

Authorised by: **By the Board**
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [*name of board committee – eg Audit and Risk Committee*]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.