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

Fiscal Q2 2024 Highlights:

- **Environmental Authorisation** received for the Virginia Phase 2 Gas Project;
- **88% increase in LNG production** compared to the previous quarter, totalling 1,564 tons (823 tons previous quarter);
- **Successful repair of the helium cold box**, with only reinstallation and recommissioning remaining to complete prior to commencement of tank filling and ultimately the Performance Test;
- Integration of Seismic and Aero-magnetic data revealed **new gas anomalies**;
- **Two new wells spudded** and showed signs of gas prior to reaching the target depth of 650 meters.

Environmental Authorisation

The Virginia Gas Project has received a positive Environmental Authorisation for the Phase 2 Gas Project, representing another major milestone.

The Department of Mineral Resources and Energy (DMRE) has granted an Environmental Authorisation in terms of Section 24 of the National Environmental Management Act (NEMA) of 1988 (Act No 107 of 1988) in accordance with the Environmental Impact Assessment Regulations (EIA Regulations) for the various NEMA listed activities related to our Phase 2 project which include the planned drilling, construction of the gas gathering pipeline and liquid natural gas (LNG) and liquid helium process plant including balance of plant activities.

Project and Operations report

Production operations

We have seen **consistent production increases** quarter on quarter as the second quarter **LNG production of 1,564 tons** represented a significant 88% increase relative to the previous quarter. This is attributed to fewer plant interruptions and breakdowns as typically experienced when commissioning a new facility. We expect this rate of production to remain stable until the next jump in production as we ramp to full-scale production in due course.

Helium Cold Box

The helium cold box has been successfully repaired. As communicated in our previous quarterly report, a leak was discovered in the helium cold box module prior to initial Performance Testing. The cold box was removed and taken offsite to a suitable engineering and repair facility for inspection, repair and testing by the original equipment manufacturer (OEM). The repair was undertaken successfully, and the cold box module has now been delivered back to site and is in the process of being reinstalled and recommissioned. The team is currently focused on achieving our most critical milestone, the turn-on and production of liquid helium. Subsequently, we will initiate the tank filling process, leading to the final performance test, which will signify the unit's readiness for handover from an engineering perspective. We anticipate that the performance test will be completed in November 2023, dependent upon all the various steps leading up to this event being executed.

This repair has not impacted the current progress on the Virginia Gas Project's Phase 2 project as we are running both processes in parallel.

Drilling and Exploration

New gas anomalies have been identified in the process of updating our geological model with the integration of legacy seismic and aero-mag surveys , and these are now being correlated to the structures we have identified from previous drilling campaigns.

Two new wells have just commenced drilling and are already showing early signs of gas downhole prior to reaching the target depth.

Licenses and Other Matters

There has been no change to the licences.

Johannesburg
29 September 2023

Authorised by: Stefano Marani
Chief Executive Officer

Designated Advisor
PSG Capital

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.

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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	31 August 2023

	Consolidated statement of cash flows	Current quarter ZAR'000	Year to date (6 months) ZAR'000
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	17 346	31 534
1.2	Payments for		
	(a) exploration & evaluation	(18)	(30)
	(b) development	-	-
	(c) production	(8 145)	(11 830)
	(d) staff costs	(8 783)	(12 953)
	(e) administration and corporate costs	(1 991)	(21 656)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	1 219	1 961
1.5	Interest and other costs of finance paid	(69)	(141)
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other (provide details if material) –		
	- Restricted cash	(17 333)	(6 651)
1.9	**Net cash used in operating activities**	**(17 774)**	**(19 766)**

2.	**Cash flows from investing activities**		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	(104 296)	(137 315)
	(d) exploration & evaluation	(21 560)	(23 580)
	(e) investments	-	-
	(f) other non-current assets – other intangible assets	-	(2 141)

Consolidated statement of cash flows		Current quarter ZAR'000	Year to date (6 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**	**(125 856)**	**(163 036)**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	10 000	10 000
3.2	Proceeds from issue of convertible debt securities	55 972	55 972
3.3	Proceeds from exercise of options	4 408	22 581
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	303 000	318 000
3.6	Repayment of borrowings	(54 945)	(92 307)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other – lease payments	(271)	(592)
3.10	**Net cash from financing activities**	**318 164**	**313 654**

4.	**Net increase/(decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	15 589	55 704
4.2	Net cash used in operating activities (item 1.9 above)	(17 774)	(19 766)
4.3	Net cash used in investing activities (item 2.6 above)	(125 856)	(163 036)
4.4	Net cash from financing activities (item 3.10 above)	318 164	313 654

Consolidated statement of cash flows		**Current quarter ZAR'000**	**Year to date (6 months) ZAR'000**
4.5	Effect of movement in exchange rates on cash held	(3 619)	(52)
4.6	**Cash and cash equivalents at end of period**	**186 504**	**186 504**

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 (6 months) ZAR'000**
5.1	Bank balances	68 663	68 663
5.2	Call deposits	117 841	117 841
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)**	**186 504**	**186 504**

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	572
6.2	Aggregate amount of payments to related parties and their associates included in item 2	4 014

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	1 247 657	1 247 657
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	**Total financing facilities**	**1 247 657**	**1 247 657**

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 US Dollar (US$) denominated loan and debentures included in the amount disclosed above were translated at a rate of R18.708/US$1 on 31 August 2023.

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 (R20.6 million using the rate at 31 August 2023) on each payment date which began on 1 August 2022 and will end on 15 August 2031. The loan is secured by a pledge of Tetra4'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. Qualifying interest attributable to assets under construction, within property, plant and equipment, is capitalised in line with the Group policy. Interest paid during the quarter totalled US$0.16 million (R3.0 million).

A guarantee fee of 4% per annum is payable by Tetra4 to the DFC on any outstanding loan balance. The guarantee fee is payable quarterly on the Repayment Dates. Tetra4 paid guarantee fees totalling US$0.36 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, and commenced on 15 November 2020. The maintenance fee covers administrative costs relating to the loan. The maintenance fee was not due from Tetra4 during the quarter.

The DFC loan outstanding on 31 August 2023 amounted to US$34.6 million (R647.2 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 which commenced in June 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% (15.25% on 31 August 2023) and is secured by a pledge of Tetra4's assets under construction, land and the Debt Service Reserve Account. The IDC loan outstanding on 31 August 2023 amounted to R179.1 million and interest accrued during the quarter amounted to R7.0 million. Qualifying interest attributable to assets under construction, within property, plant and equipment, is capitalised in line with the Group.

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. Tetra4 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, and Debt Service Reserve Account 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.

Tetra4 also maintains a Debt Service Reserve Account with respect to the IDC loan.

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 original loan term was for the period from inception of the loan on 1 May 2013 until 31 December 2022. During this period, the loan was unsecured and interest free. As the loan was not repaid on 31 December 2022, it now accrues interest at the prime lending rate plus 2% (13.75% on 31 August 2023). The loan is still unsecured and does not have repayment terms. 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. It is not expected that the loan will be repaid in the next 12 months given the unavailability of distributable profits based on Tetra4's most recent forecasts. As such, the loan is classified as long term. The loan advanced to Tetra4 by Renergen can only be repaid after the loan from Molopo has been settled.

Interest included in profit and loss amounted to R1.8 million for the quarter. The Molopo loan outstanding on 31 August 2023 amounted to R54.6 million.

SBSA Bridge Loan

Renergen entered into a R303.0 million secured bridge loan facility agreement with Standard Bank of South Africa Limited (“SBSA”) on 30 June 2023 (“SBSA Bridge Loan”). The SBSA Bridge Loan was fully drawn by Renergen on 30 June 2023 and proceeds will be used for the Phase 2 expansion of the Virginia Gas Project. Part of the proceeds of the SBSA Bridge Loan were also used to pay transaction costs attributable to the loan arrangement.

The loan is repayable on or before 30 June 2025 and accrues interest at a rate equivalent to JIBAR plus a variable margin (JIBAR plus the margin equated to 14.5% on 31 August 2023). Interest is compounded and capitalised quarterly to the principal amount owing. Early settlement of the SBSA Bridge Loan before 30 June 2025 will become due within 5 business days of the earlier of the receipt of proceeds from either the Nasdaq IPO of Renergen or the Project Investor Agreement (“PIA”) has become unconditional and Tetra4 has received funds due under the PIA. The PIA sets out terms and conditions for the acquisition of shares in Tetra4 by a selected investor.

The SBSA Bridge Loan is secured by a third ranking pledge of Tetra4’s assets under construction, land, the global business account and shares held by Renergen in Tetra4. The SBSA Bridge Loan outstanding on 31 August 2023 (inclusive of interest) amounted to R310.6 million and interest accrued during the quarter amounted to R7.6 million. Qualifying interest is capitalised to assets under construction, within property, plant and equipment, in line with the Group policy.

Unsecured Convertible Debentures

Renergen entered into a US$7.0 million unsecured convertible debenture subscription agreement ("Subscription Agreement") with AIRSOL SRL (“AIRSOL”), an Italian wholly-owned subsidiary of SOL S.p.A, on 30 August 2023 for the subscription by AIRSOL for Renergen debentures in two tranches of US$3.0 million (“Tranche 1”) and US$4.0 million (“Tranche 2”). AIRSOL subscribed and paid for Tranche 1 on 30 August 2023 and will subscribe for Tranche 2 when the terms of the PIA become unconditional and Tetra4 has received funds due under the PIA.

The debentures have a maturity date of 28 February 2025 and accrue interest at a rate of 13% per annum, calculated and compounded semi-annually on the outstanding principal amount. Interest is payable on 28 February and 31 August of each year during the term of the debentures.

On maturity, the debentures can be settled in cash or converted to shares in Renergen at a conversion rate to be determined by dividing the outstanding principal amount by the conversion price. The conversion price has been agreed as follows:

- If the Nasdaq IPO has not been completed before the maturity date of the debentures, the conversion price will be 90% of the 30-day volume weighted average traded price of Renergen shares on the Johannesburg Stock Exchange.
- If the Nasdaq IPO has occurred before the maturity date of the debentures, and the shares to be issued are Renergen shares admitted to trading on the JSE, the conversion price with be 90% of the Rand equivalent of the deemed US$ price per share applicable in the IPO.
- If the Nasdaq IPO has occurred before the maturity date of the debentures, and the shares to be issued are Renergen American Depositary Shares ("ADSs"), the conversion price with be 90% of the Rand equivalent of the US$ issue price per ADS.

The debentures outstanding on 31 August 2023 amounted to US$3.0 million (R56.1 million). No interest was accrued on the debentures during the quarter.

8.	**Estimated cash available for future operating activities**	**ZAR'000**
8.1	Net cash generated from operating activities (item 1.9)	(17 774)
8.2	Payments for exploration and evaluation classified as investing activities) (item 2.1(d))	(21 560)
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(39 334)
8.4	Cash and cash equivalents at quarter end (item 4.6)	186 504
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	186 504
8.7	**Estimated quarters of funding available (item 8.6 divided by item 8.3)**	**4.74**

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: Not applicable

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: Not applicable

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: Not applicable

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: **31 August 2023**

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.