

## 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")



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## RENERGEN QUARTERLY UPDATE

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### Fiscal Q2 2025 Highlights:

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- **The helium plant** is at temperature and operational
  - Taking ownership of the helium facility, with successful production of liquid helium ("LHe") at the VGP
  - **LNG production stable** when compared to previous quarters in the prior 12 months
  - **Two new, high helium exploration wells completed** and converted to production ready status
  - Geological data obtained confirmed the **presence of an unmodelled gas-bearing fault** which will be targeted for future drilling
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## LNG production

LNG production for the reporting period totalled 1,249 tons, with operations beginning to trend back into a stable, reliable production trend. Production in this quarter was impacted by several system shutdowns related to the final commissioning of the helium system and minor efficiency losses, which were rectified during annual maintenance, completed in September 2024.

## Helium system integration completed

The Company announced on 9 August 2024 that the liquid helium production train is fully operational and we have produced helium since 19 July 2024. The optimisation efforts during the commissioning phase have also yielded impressive results, evidenced by a significant reduction in timelines for the plant start-up and cooldown processes evidenced in the graph below.

### Helium Cooldown Chronology

- The 1st and 2nd cooldowns in 2022 and 2023 were impacted by a leak in the helium cold box (subsequently repaired in September and tested in October/November 2023)
- The 3rd cooldown in February 2024 attempt took longer due to a more conservative cool-down approach to ensure no adverse impacts post the leak repair
- The 4th cooldown in May 2024 was taken to test further refinement of the cool-down methodology and operating philosophy
- During the 4th cooldown the OEM proposed a value engineering enhancement to improve performance and stability by introducing a buffer storage tank between the Nitrogen and Helium cold boxes which would

improve longer term operational efficiency of the helium system which was completed prior to the 5<sup>th</sup> cooldown

- The 5th cooldown post the completion and installation of the value engineering solution reduced the time frame to 9 days. Thereby demonstrating not only the benefit of refining cooldown methodology in all the previous attempts but also the improved control and performance of the proposed value engineering enhancement

With helium production now achieved and Tetra4 in complete operational control of the process plant since starting the project in 2019, the team will focus on achieving stability across both LNG/LHe operations.

## Exploration

The Company is pleased to announce the successful drilling of two high helium concentration exploration wells at PR007, in the Free State Province of South Africa. The first exploration well (T4KK011) was drilled with an aim to intersect a known fault located within the Western Structural Margin (WSM), an area of intense shearing and fracturing and magnetic low. Once drilled to depth, cased and cemented T4KK011 was successfully flow tested and sampled resulting in 3,32% helium with a flow rate of 106 000 SCFD.

Based on lithological and geo physical data obtained from T4KK011, an additional well T4KK011 REV was planned to intersect a newly discovered fault, east of T4KK011, namely T4KK011 REV. T4KK011 was drilled to depth, cased and cemented but during the drilling process a series of rods were lost downhole. Fortunately, the well was recovered but almost 300 m of rods remain downhole.

Despite this the well confirmed the existence of an additional gas bearing fault with helium rich (2,68%) gas. Like T4KK011, T4KK011 REV is also located with the WSM. The discovery of additional faulting and induced fracturing has highlighted the increased geological prospectivity of this area. Future drilling campaigns will aim to further define this fault and its gas bearing potential as well as refining interference spacing and planning.

Table 1: Exploration Well Details

Well Name	T4KK011	T4KK011 REV
Location	Lat -28.168511° Long 26.725320°	Lat -28.168086° Long 26.729725°
EoH TVD	850 m	850 m
Producing Formation	Witwatersrand quartzite	Witwatersrand quartzite
Gross Thickness	Witwatersrand quartzite (188 m)	Witwatersrand quartzite (342 m)
Geological Rock Types	Mudstone, shale, dolerite, lava and quartzite.	Mudstone, shale, dolerite, lava and quartzite.
Depths of Gas Bearing Zones	Multiple open fracture zones in Witwatersrand Quartzites (703,6, 710, 741, 743, 751 m TVD)	Unknown*. Assumed to be multiple open fractures observed from lithological logging from 583 to 700 m TVD).
Type of Test & Duration	Seven-day stabilised flow test	Nine-day stabilised flow test
Phases Recovered	Gas	Gas
Flow Rate (SCFD)	106,000	92,160
Volume Flared During Test (SCFD)	727374	829,350
Material Non-Hydrocarbons	Helium: 3.32% Nitrogen: 8.87%	Helium: 2.68% Nitrogen: 6.41%

The cost of drilling and bringing the two abovementioned wells into production totalled R8.3 million excluding VAT for both.

## **Licenses and Other Matters**

There has been no change to the licences.

ASX Listing rule 5.4.3 –no rights were acquired or disposed, nor were any farm-in or farm-out agreements entered into during the quarter. The Company has not entered into any farm-in or farm-out agreements.

ASX Listing rule 5.4.5 -There were payments during the quarter to an associate of, or a related party of Renergen or an associate of Renergen. These payments totalled ZAR4.779 million and relate to remuneration paid to directors and prescribed officers.

Johannesburg  
30 September 2024

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.

[www.renergen.co.za](http://www.renergen.co.za)

For all media relations, please contact:  
Mandy Stuart  
Head of Marketing & ESG Management  
mandy@renergen.co.za

For all US investors and media relations, please contact:  
Georg Venturatos– Gateway Group, (949) 574-3860  
Ren@gateway-grp.com

## Appendix 5B

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

Name of entity

RENERGEN LIMITED

ABN

93998352675

Quarter ended ("current quarter")

31 August 2024

Consolidated statement of cash flows		Current quarter ZAR'000	Year to date (6 months) ZAR'000
<b>1.</b>	<b>Cash flows from operating activities</b>		
1.1	Receipts from customers	17 553	28 544
1.2	Payments for		
	(a) exploration & evaluation	(12)	(16)
	(b) development	-	-
	(c) production	(9 981)	(20 721)
	(d) staff costs	(17 348)	(26 173)
	(e) administration and corporate costs	(19 205)	(57 887)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	3 565	5 450
1.5	Interest and other costs of finance paid	(230)	(450)
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other (provide details if material) –		
	- Restricted cash	30 896	28 256
<b>1.9</b>	<b>Net cash used in operating activities</b>	<b>5 238</b>	<b>(42 997)</b>
<b>2.</b>	<b>Cash flows from investing activities</b>		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	(20 363)	(69 703)
	(d) exploration & evaluation	(9 910)	(21 993)
	(e) investments	-	-
	(f) other non-current assets – other intangible assets	-	-

<b>Consolidated statement of cash flows</b>		<b>Current quarter ZAR'000</b>	<b>Year to date (6 months) ZAR'000</b>
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)	-	-
<b>2.6</b>	<b>Net cash used in investing activities</b>	<b>(30 273)</b>	<b>(91 696)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	103 333	177 973
3.6	Repayment of borrowings	(37 278)	(411 919)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other – lease payments	(898)	(1 782)
<b>3.10</b>	<b>Net cash used in financing activities</b>	<b>65 157</b>	<b>(235 728)</b>

<b>4.</b>	<b>Net increase/(decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	60 528	471 075
4.2	Net cash used in operating activities (item 1.9 above)	5 238	(42 997)
4.3	Net cash used in investing activities (item 2.6 above)	(30 273)	(91 696)
4.4	Net cash used in financing activities (item 3.10 above)	65 157	(235 728)
4.5	Effect of movement in exchange rates on cash held	(4)	(8)
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>100 646</b>	<b>100 646</b>

<b>5. Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter ZAR'000</b>	<b>Year to date (6 months) ZAR'000</b>
5.1 Bank balances	83 462	83 462
5.2 Call deposits	17 184	17 184
5.3 Bank overdrafts	-	-
5.4 Other (provide details)	-	-
<b>5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>100 646</b>	<b>100 646</b>

<b>6. Payments to related parties of the entity and their associates</b>	<b>Current quarter ZAR'000</b>
6.1 Aggregate amount of payments to related parties and their associates included in item 1	2 664
6.2 Aggregate amount of payments to related parties and their associates included in item 2	2 115
<i>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.</i>	

<b>7. Financing facilities</b> <i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i> <i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	<b>Total facility amount at quarter end ZAR'000</b>	<b>Amount drawn at quarter end ZAR'000</b>
7.1 Loan facilities	1 044 796	933 129
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
<b>7.4 Total financing facilities</b>	<b>1 044 796</b>	<b>993 129</b>
<b>7.5 Unused financing facilities available at quarter end</b>		<b>51 667</b>
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 R17.8227/US\$1 on 31 August 2024.

#### **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\$1.08 million (R19.3 million using the rate at 31 August 2024) 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\$0.14 million (R2.5 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\$0.31 million (R5.7 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. There was no maintenance fee due during the quarter.

The DFC loan outstanding on 31 August 2024 amounted to US\$30.27 million (R539.49 million).

## **IDC Loan**

Tetra4 entered into a R160.7 million loan agreement with the Industrial Development Corporation ("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 included 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 2024) 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 2024 amounted to R167.4 million and interest accrued during the quarter amounted to R6.5 million. Qualifying interest attributable to assets under construction, within property, plant and equipment, is capitalised in line with the policy of 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 from 15 August 2025. 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.

The following debt covenants apply to the IDC loan:

- a) Tetra4 is required to maintain the same financial and reserve tail ratios, and a 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.

The covenants in a) will apply from 15 August 2025. Tetra4 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. Tetra4 also maintains a Debt Service Reserve Account with respect to the IDC 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 the Facility Agreement.



### **Molopo loan**

Tetra4 entered into a R50.0 million loan agreement with Molopo on 11 May 2014. The loan term is for a period of 10 financial years and 6 months which commenced on 1 July 2014 (repayable on 31 August 2024). During this period, the loan is unsecured and interest free. From the period commencing 1 September 2024, to the extent that the loan has not been repaid, it will accrue interest at the prime lending rate plus 2% and will still be unsecured. 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 is recognised at its present value and interest which represents the unwinding of the discount recognised on initial recognition of the loan is included in profit and loss and amounted to R1.5 million for the quarter (at an average rate of 13.25%). The Molopo loan outstanding on 31 August 2024 amounted to R50.0 million.

### **Unsecured Convertible Debentures**

Renegen 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 in Renegen debentures in two tranches of US\$3.0 million ("Tranche 1") and US\$4.0 million ("Tranche 2"). Tranche 1 proceeds were received on 30 August 2023 and on 18 March 2024 AIRSOL subscribed for Tranche 2 debentures and Renegen received US\$4.0 million (R74.6 million). This transaction is linked to the Nasdaq IPO.

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 Renegen 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 Renegen 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 Renegen shares admitted to trading on the JSE, the conversion price will 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 Renegen American Depositary Shares ("ADSs"), the conversion price will be 90% of the Rand equivalent of the US\$ issue price per ADS.

Debentures outstanding on 31 August 2024 amounted to US\$7.0 million (R132.9 million) and interest for the quarter amounted to US\$0.47 million (R8.1 million).

**SBSA Loan**

Renegen obtained a R155.0 million secured loan from Standard Bank of South Africa Limited ("SBSA") on 30 August 2024 ("SBSA Loan"). The first draw down of R103.3 million occurred on 31 August 2024 and the second draw down of R51.7 million will occur when the requisite conditions precedent have been fulfilled. Proceeds will be used to fund the working capital and 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 SBSA Loan accrues interest at a rate linked to 3-month JIBAR plus a variable margin. Interest is compounded and capitalised to the principal amount owing. The SBSA Loan is repayable on the earlier of receipt of proceeds from the Renegen proposed Nasdaq IPO or 30 August 2025.

The SBSA Loan is secured by a third ranking pledge of Tetra4's assets under construction, land, the global business account, and shares held by Renegen in Tetra4. In addition, CRT Investments Proprietary Limited ("CRT") an associate of Mr Nicholas Mitchell, and MATC Investments Holdings Proprietary Limited ("MATC") an associate of Mr Stefano Marani, have entered into cession and pledge agreements ("Pledges") with SBSA, in terms of which CRT and MATC have pledged and ceded as security collectively 17 314 575 Renegen ordinary shares ("Pledged Shares"), to and in favour SBSA. CRT and MATC's potential liability under the security given in respect of such financial obligation is capped at the lower of the value of the Pledged Shares or R155.0 million.

<b>8.</b>	<b>Estimated cash available for future operating activities</b>	<b>ZAR'000</b>
8.1	Net cash generated from operating activities (item 1.9)	5 238
8.2	Payments for exploration and evaluation classified as investing activities) (item 2.1(d))	(9 910)
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(4 672)
8.4	Cash and cash equivalents at quarter end (item 4.6)	100 646
8.5	Unused finance facilities available at quarter end (item 7.5)	51 667
8.6	Total available funding (item 8.4 + item 8.5)	152 313
8.7	<b>Estimated quarters of funding available (item 8.6 divided by item 8.3)</b>	<b>32.60</b>
	<i>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.</i>	
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: N/A	
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: N/A	
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: N/A	
	<i>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.</i>	

## 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: **27 September 2024**

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.