



RENERGEN LIMITED

Incorporated in the Republic of South Africa
(Registration number: 2014/195093/06)
JSE Share code: REN ISIN: ZAE000202610
Australian Business Number ABN: 93998352675 ASX Share code: RLT
("Renergen" or "the Company" or "the Group")

REVIEWED CONDENSED CONSOLIDATED INTERIM RESULTS FOR THE SIX MONTHS ENDED 31 AUGUST 2019

About Renergen

Renergen is an emerging helium and natural gas producer in South Africa. Through our investment in Tetra4, we benefit from the first and currently only onshore petroleum production right in South Africa, with proven helium and methane reserves and arguably one of the highest concentrations of helium globally.

Of key importance is that many of the traditional risks associated with a greenfield project have either been mitigated or eliminated in the New Liquified Natural Gas (LNG) and Liquified Helium plant ("the plant"). To add to this the Company is fully funded to production as a result of the recent listing on the Australian Securities Exchange (ASX) and the loan from the Overseas Private Investment Corporation (OPIC) which will see the Company reach production with the proceeds raised.

The Company also enjoys very strong prospects related to the untapped upside potential of the Virginia gas field with the commencement of exploration of the previously unknown sandstone body where a well was drilled and is producing helium at a concentration of roughly 11%, or more than 20 times global average.

COMMENTARY

This reporting period has been a busy but very successful one for the Company. Noteworthy highlights include:

- Board having taken Financial Investment Decision on the proposed capital expenditure and drilling campaign
- Successfully completed an Initial Public Offering on the Australian Securities Exchange raising A\$ 10 million
- Signature of the final loan agreement with the OPIC for US\$ 40 million to build Phase I
- Appointing EPCM Bonisana as the construction firm to build the gas gathering system
- Appointing Bohrmeister Technik to drill the horizontal well in the sandstone deposit within the production right, and
- Redemption of convertible notes with a face value of AUD\$ 500 000.

2019 has seen the helium market tighten quite significantly, with the US strategic reserves having announced no further auctions would take place following the 2018 auction. New helium megaprojects have a very long lead time before coming online which has pushed the price of helium up considerably, and the short build-time for the New Liquified Natural Gas (LNG) and Liquified Helium plant we believe makes Renergen an attractive investment prospect.

Energy has continued to be constrained and front of mind in for many companies in South Africa, the government announced a carbon tax which came into effect earlier this year, resulting in many companies seeking cleaner alternatives to petrol and diesel to save on this new tax. This has seen increased interest in locking in natural gas supply when the plant reaches production in 2021 and puts the Company at the forefront for Liquified Natural Gas (LNG) for transport in South Africa.

The Company is now fully funded to:

1. Complete the construction of Phase I and begin production of South Africa's first commercial LNG and liquid helium from the New Liquified Natural Gas (LNG) and Liquified Helium plant, and
2. Determine the extent of the potential upside in the sandstone deposit from the new exploration drilling campaign.

Per ASX listing requirements the Company has released a Quarterly Activity Report as well as a Half Year Report for Mining and Oil and Gas entities (“the Quarterly Report and the Half Year Report”). Both reports are available for viewing on the Company’s website at <https://www.renergen.co.za/results-and-reporting/results-and-reporting-2019/>

Email investor queries to investorrelations@renergen.co.za.

Financial review

- The gross loss of R0.4 million (31 August 2018: R0.13 gross profit) was incurred as a result of the 5-month long Association of Mine Workers and Construction Union (AMCU) strike in Virginia which saw a decrease in the Compressed Natural Gas (CNG) volumes sold during the first two months of the financial year on the pilot project of 10 buses transporting mine employees
- Successful listing on the Australian Securities Exchange (ASX) on 6 June 2019 with A\$10 million (R103 million) raised at the initial public offering (IPO) which will support expansion of capacity at the New Plant and the commercialisation of the high concentration helium reserves in the medium term
- R8.9 million spent on plant, machinery and equipment on engineering of Tetra4's New Liquified Natural Gas (LNG) and Liquified Helium plant
- R4.7 million spent on gas exploration
- More than 100% increase in Share based payment reserve as a result of Share Options granted as part of the ASX listing. R5.1 million share options were awarded to Transaction Advisors at a fair value of R6.3 million on 06 June 2019, the options are can be exercised after 4 years
- A Put Option currency hedge with a fair value of R7.7 million at 31 August 2019 to hedge the Company from USD: ZAR currency fluctuations.
- Tetra4 has entered into an agreement to purchase property and has ceded R4 million in favour of the seller of the property. Transfer is expected to take place within the 2 months after the end of the reporting period

Changes to the Board of Directors

Following the successful listing on the Australian Securities Exchange, the Board welcomes Dr David King to the Board as a non-executive director. David was a founder and director of Sapex Ltd, Gas2Grid Ltd and Eastern Star Gas Ltd. He holds an MSc in Geophysics from Imperial College, London, and a PhD in Seismology from the Australian National University, Canberra. He has substantial natural resource related experience.

We believe this appointment will add a new dimension to our Board and will aid the Executive team in developing the Company strategy in order to unlock returns for all of our shareholders.

Other than the change mentioned above, there are no other changes to the board of directors.

Condensed Consolidated Statement of Financial Position

The statement of financial position of the Group as at 31 August 2019 are set out below:

Figures in R'000	Notes	Reviewed 31 August 2019	Audited 28 February 2019	Reviewed 31 August 2018
Assets				
Non - Current Assets				
Property Plant and Equipment		46 882	37 757	35 853
Right-of-use asset	8	3 441	-	-
Intangible Assets		75 195	70 494	67 765
Deferred tax asset		19 320	12 243	10 824
Restricted cash		2 452	2 178	1 875
Total non-current assets		147 290	122 672	116 317
Current Assets				
Trade and other receivables		6 697	4 482	3 084
Derivative financial assets		8 659	-	-
Restricted cash		4 000	-	-
Cash and cash equivalents		129 459	97 956	6 259
Total current assets		148 815	102 438	9 343
Total Assets		296 105	225 110	125 660
Equity and Liabilities				
Equity				
Stated capital	5	397 771	301 277	182 601
Accumulated loss		(158 471)	(121 091)	(96 239)
Share based payment reserve	10	7 080	448	268
Equity attributable to parent		246 380	180 634	86 630
Non-controlling interest		(19 046)	(16 401)	(13 744)
Total Equity		227 334	164 233	72 886

Liabilities**Non-Current Liabilities**

Financial liabilities	36 670	39 647	32 476
Finance lease obligation	-	208	313
Right-of-use liability	3 796	-	-
Deferred tax liability	4 221	-	-
Provisions	4 000	9 829	3 100
Total non-current liabilities	48 687	49 684	35 889

Current Liabilities

Financial liabilities	5 480	-	-
Provisions	5 830	-	-
Trade and other payables	8 340	10 855	16 503
Finance lease obligation	434	338	382
Total Current Liabilities	20 084	11 193	16 885

Total Liabilities

68 771	60 877	52 774
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Total Equity and Liabilities

296 105	225 110	125 660
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Net asset value per share (cents)

201.83	164.01	87.32
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Tangible net asset value per share (cents)

135.07	93.61	6.14
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Condensed Consolidated Statement of profit or loss and other comprehensive income

The statement of profit or loss and other comprehensive income of the Group for the reviewed 6-month ending 31 August 2019 are set out below:

Figures in R'000	Notes	Reviewed 31 August 2019	Audited 28 February 2019	Reviewed 31 August 2018
Revenue from contracts with customers		1 441	2 987	1 753
- Sale of CNG gas		1 441	2 987	1 753
Cost of sales		(1 888)	(3 197)	(1 623)
Gross (loss)/profit		(447)	(210)	130
Other income		167	851	691
Impairment loss		-	(1 295)	-
Share - based payments expense	10	(6 632)	(334)	(154)
Operating expenses	3	(35 913)	(45 026)	(18 441)
Operating loss		(42 825)	(46 014)	(17 774)
Interest Income		2 593	1 604	124
Interest expense and imputed interest		(2 612)	(4 138)	(1 970)
Total loss before tax		(42 844)	(48 548)	(19 620)
Taxation		2 856	3 572	2 153
Total loss after tax		(39 988)	(44 976)	(17 467)
Total loss attributable to:				
Owners of the parent		(37 343)	(40 860)	(16 008)
Non-controlling interest		(2 645)	(4 116)	(1 459)
		(39 988)	(44 976)	(17 467)
Total comprehensive loss attributable to:				
Owners of the parent		(37 343)	(40 860)	(16 008)
Non- controlling interest		(2 645)	(4 116)	(1 459)
		(39 988)	(44 976)	(17 467)

Loss per share

Basic loss per share (cents)

Diluted loss per ordinary share (cents)

9**(35.24)****(35.24)****(47.03)****(47.03)****(19.43)****(19.43)**

Condensed Consolidated Statement of Changes in Equity

The statement of changes in equity of the Group for the audited 6- month period ended 31 August 2019 are set out below:

Figures in R'000	Stated Capital	Accumulated Loss	Share based payment reserve	Equity Attributable to parent	Non-Controlling interest	Total Equity
Balance at 01 March 2018	161 065	(80 231)	114	80 948	(12 285)	68 663
Share issue	21 760	-	-	21 760	-	21 760
Share issue costs	(224)	-	-	(224)	-	(224)
Share based payment reserve	-	-	154	154	-	154
Total loss after tax	-	(16 008)	-	(16 008)	(1 459)	(17 467)
Balance at 31 August 2018	182 601	(96 239)	268	86 630	(13 744)	72 886
Share issue	125 000	-	-	125 000	-	125 000
Share issue costs	(6 324)	-	-	(6 324)	-	(6 324)
Share based payment reserve	-	-	180	180	-	180
Total loss after tax	-	(24 852)	-	(24 852)	(2 657)	(27 509)
Balance at 28 February 2019	301 277	(121 091)	448	180 634	(16 401)	164 233
Adjustment on initial application of IFRS16	-	(37)	-	(37)	-	(37)
Restated balance as at 01 March 2019	301 277	(121 128)	448	180 597	(16 401)	164 196
Share issue	102 984	-	-	102 984	-	102 984
Share issue costs	(6 490)	-	-	(6 490)	-	(6 490)
Share based payment reserve	-	-	6 632	6 632	-	6 632

Total loss after tax	-	(37 343)	-	(37 343)	(2 645)	(39 988)
Balance at 31 August 2019	397 771	(158 471)	7 080	246 380	(19 046)	227 334

Condensed Consolidated Statement of Cash Flows

The statement of cash flow of the Group for the audited 6- month period ended 31 August 2019 are set out below:

Figures in R'000	Notes	Reviewed 31 August 2019	Audited 28 February 2019	Reviewed 31 August 2018
Cash flows from operating activities				
Cash used in operations	4	(38 378)	(38 287)	(11 566)
Interest Income		2 593	1 604	124
Interest expense		(166)	(185)	(39)
Net cash outflow from operating activities		(35 951)	(36 868)	(11 481)
Acquisition of property, plant and equipment		(10 884)	(9 587)	(4 823)
Acquisition of intangible assets		(4 701)	(3 756)	(1 927)
Purchase of Options		(9 256)	-	-
Net cash outflow from investing activities		(24 841)	(13 343)	(6 750)
Proceeds on share issue		102 984	146 760	21 760
Share issue costs		(6 490)	(6 548)	(224)
Increase in borrowings		-	5 149	-
Finance lease capital re-payments		(95)	(231)	(83)
Right-of-use asset – Lease payments		(523)	-	-
Net cash inflow from financing activities		95 876	145 130	21 453
Total cash movement for the period		35 084	94 919	3 222
Cash at the beginning of the period		97 956	3 037	3 037
Effects of exchange rate changes on cash and cash equivalents		(3 581)	-	-
Total cash at the end of the period		129 459	97 956	6 259

NOTES TO THE FINANCIAL STATEMENTS

The notes to the financial information as at 31 August 2019 are set out below:

1. Basis of preparation

The reviewed Condensed Consolidated Interim financial statements for the six months ended 31 August 2019 have been prepared and presented in accordance with the requirements of the JSE Limited ("JSE Listings Requirements") and ASX Limited ("ASX Listings Requirements") and the requirements of the South African Companies Act 71 of 2008, as amended. The JSE Listings Requirements require interim reports to be prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards ("IFRS") and the Financial Reporting Pronouncements issued by Financial Reporting Standards Council, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and to also, as a minimum, contain the information required by IAS 34 Interim Financial Reporting. The accounting policies used in the preparation of the Condensed Consolidated Interim financial statements are in terms of IFRS.

The directors take full responsibility for the preparation of the interim report.

These Condensed Consolidated Interim financial statements have been reviewed by the Company's auditors and were prepared under the supervision of the Chief Financial Officer, Miss F Ravele CA(SA).

Auditor's Review

Mazars, the group's independent auditor, has reviewed the Condensed Consolidated Interim Results for the period ended 31 August 2019 and have expressed an unmodified review conclusion thereon. A copy of the auditor's review report is available for inspection at the Company's registered office together with the financial information identified in the auditor's report. The auditor's review report does not necessarily report on all the information contained in these financial results. Shareholders are therefore advised that in order to obtain a full understanding of the nature of the auditor's engagement they should obtain a copy of the auditor's review report together with the accompanying financial information from the Company's registered office.

2. Changes in accounting policies

The accounting policies adopted in the preparation of the Condensed Consolidated Interim financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 28 February 2019, except for the adoption of a new standard effective as of 1 January 2019 described in 2.1 below. This new standard was adopted by the group for the period beginning 1 March 2019.

2.1 IFRS 16 (Leases)

The Group adopted IFRS16 Leases on 1 March 2019, using the modified retrospective approach whereby the comparative impact was recognised against retained earnings. This resulted in an increase in property, plant and equipment (right-of-use asset) of R4.1 million and a corresponding increase in liabilities (right-of-use liability) of R4.1 million and a decrease in opening retained earnings of R0.03 million relating to the straight lining of leases as per IAS17.

The Group leases two office premises on an operating lease arrangement, one of which is a short-term lease which was terminated on 31 August 2019. The expense was recognised on a straight line-basis in profit or loss. The lease of the head office building has been accounted for under IFRS16.

The Group leases vehicles on a finance lease basis, IFRS 16 had no material impact on these lease arrangements.

3. Operating Expenses Figures in R'000

	Reviewed 31 August 2019	Audited 28 February 2019	Reviewed 31 August 2018
Consulting and advisory fees	1 145	18 573	5 875
Depreciation*	568	1 165	586
Right-of-use asset - Depreciation	688	-	-
Right-of-use – Interest expense	199	-	-
Non-Executive Directors fees	1 161	1 470	656
Executive Directors Fees	3 593	8 019	2 787
Employee costs**	5 758	3 073	4 247
Operating lease	44	983	538
Other Operating costs	22 757	11 743	3 752
	35 913	45 026	18 441

*Depreciation of plant and equipment amounting to R1 million (31 August 2018: R1 million), is included in cost of sales

**Employee costs relating to manufacturing of gas sold is included in cost of sales

4. Cash used in operations

Figures in R'000

Loss before taxation

Adjustments for:

Depreciation

Right-of-use asset - depreciation

Right-of-use liability – interest expense

Amortisation

Interest income

Interest expense

Imputed interest expense

Impairment loss

Share based payment expense

Loss on foreign exchange hedge

Allocation to restricted cash

Provision for IDC costs

Effects of exchange rate changes on cash and cash equivalents

Changes in working capital:

Trade and other receivables

Trade and other payables

	Reviewed 31 August 2019	Audited 28 February 2019	Reviewed 31 August 2018
Loss before taxation	(42 844)	(48 548)	(19 620)
Adjustments for:			
Depreciation	1 757	3 150	1 587
Right-of-use asset - depreciation	688	-	-
Right-of-use liability – interest expense	199	-	-
Amortisation	-	-	-
Interest income	(2 593)	(1 604)	(124)
Interest expense	440	185	39
Imputed interest expense	2 172	3 953	1 931
Impairment loss	-	1 295	-
Share based payment expense	6 632	334	153
Loss on foreign exchange hedge	588	-	-
Allocation to restricted cash	(4 275)	(554)	(242)
Provision for IDC costs	-	5 829	-
Effects of exchange rate changes on cash and cash equivalents	3 581	-	-
Changes in working capital:			
Trade and other receivables	(2 214)	(2 015)	(625)
Trade and other payables	(2 509)	(312)	5 335
	(38 378)	(38 287)	(11 566)

5. Stated Capital

Figures in R'000

Authorised

500 000 000 no par value shares

Reconciliation of number of shares issued:

Opening balance

Issue of shares – ordinary shares

Reconciliation of issued stated capital

Opening balance

Issue of shares – ordinary shares issued for cash

Share issue costs

	Reviewed 31 August 2019	Audited 28 February 2019	Reviewed 31 August 2018
	500 000	500 000	500 000
Opening balance	100 135	81 035	81 035
Issue of shares – ordinary shares	12 500	19 100	2 622
	112 635	100 135	83 657
Opening balance	301 277	161 065	161 065
Issue of shares – ordinary shares issued for cash	102 984	146 760	21 760
Share issue costs	(6 490)	(6 548)	(224)
	397 771	301 277	182 601

Renergen Limited issued 12.5 million shares on the ASX at AUD\$ 0.80 (R8.24) per share on 6 June 2019.

6. Financial liabilities

Figures in R'000

Non-current liabilities

Held at amortised cost

Convertible notes

Total

Current liabilities

Held at amortised cost

Convertible notes

Total

	Reviewed 31 August 2019	Audited 28 February 2019	Reviewed 31 August 2018
	-	5 149	-
	-	5 149	-
	5 480	-	-
	5 480	-	-

Convertible notes

Renergen Limited issued Convertible notes at face value AUD\$ 500 000 (R5 .1 million) in December 2018. The Notes carried interest at 15% per annum and were convertible into shares at an equivalent of AUD\$ 0.74 (R7.84) per share. The Note holders elected to redeem the notes on 20 June 2019, the notes including the capitalised interest was settled after the current reporting period on 17 September 2019 for AUD\$ 545 011.72 (R5.5 million).

7. Segmental analysis

Renergen Limited has two operating segments.

• Corporate Head Office

Corporate head office is a segment where all investment decisions are made. Renergen Limited is the investment holding company focused on investing in prospective green projects. Green projects entail pursuing knowledge and practices that can lead to more environmentally friendly and ecologically responsible decisions and lifestyles which can help protect the environment and sustain its natural resources for current and future generations.

• Tetra4 (Pty) Ltd

Tetra4 explores, develops and sells compressed natural gas to the South African market. Natural gas is a renewable resource, since it is produced by living microbial organisms.

7. Segmental analysis (Continued)

Analysis of reportable segments as at 31 August 2019 is set out below:

Figures in R'000	Corporate Head Office	Tetra4	Total	Consolidating Adjustments	Consolidated
Revenue	8 932	1 441	10 373	(8 932)	1 441
External	-	1 441	1 441	-	1 441
Inter-segment	8 932	-	8 932	(8 932)	-
Loss for the period	(13 542)	(26 446)	(39 988)	-	(39 988)
Total Assets	978 731	182 133	1 160 864	(860 759)	300 105
Total liabilities	12 349	321 271	333 620	(260 849)	72 771

Comparatives

Figures in R'000 Reviewed 31 August 2018	Corporate Head Office	Tetra4	Total	Consolidating Adjustments	Consolidated
Revenue	5 550	1 753	7 303	(5 550)	1 753
External	-	1 753	1 753	-	1 753
Inter-segment	5 550	-	5 550	(5 550)	-
Loss for the period	(2 872)	(14 595)	(17 467)	-	(17 467)
Total Assets	764 280	111 926	876 206	(750 546)	125 660
Total liabilities	5 347	198 054	203 401	(150 627)	52 774

7. Segmental analysis (Continued)

Figures in R'000 Audited 28 February 2019	Corporate Head Office	Tetra4	Total	Consolidating Adjustments	Consolidated
Revenue	16 487	2 987	19 473	(16 487)	2 987
External		2 987	2 987	-	2 987
Inter-segment	16 487	-	16 487	(16 487)	-
Loss for the period	(3 817)	(41 159)	(44 976)	-	(44 976)
Total Assets	885 172	124 740	1 009 912	(784 802)	225 110
Total liabilities	8 330	237 432	245 762	(184 885)	60 877

8. Adoption of IFRS 16

On adoption of IFRS 16, the group recognised lease liabilities in relation to leases which had previously been classified as 'operating leases' under the principles of IAS 17, 'Leases'. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of 1 March 2019. The lessee's incremental borrowing rate applied to the lease liabilities on 1 March 2019 was 12.5%.

9. Loss per share

Figures in R'000

Basic loss

Loss from continuing operations attributable to equity owners of the parent
Weighted average number of shares
Basic loss per share (cents)

Reviewed 31 August 2019	Audited 28 February 2019	Reviewed 31 August 2018
(37 343)	(40 860)	(16 008)
105 978	86 889	82 372
(35.24)	(47.03)	(19.43)

9. Loss per share (continued)**Reconciliation of diluted loss**

Basic loss	(37 343)	(40 860)	(16 008)
Weighted average number of shares	105 978	86 889	82 372
Diluted loss per share (cents)	(35.24)	(47.03)	(19.43)

Reconciliation of basic loss to headline loss

Basic loss attributable to equity owners of the parent	(37 343)	(40 860)	(16 008)
Impairment of property, plant and equipment	-	1 295	-
Tax effects of disposal and impairment of fixed assets	-	(363)	-
Headline loss	(37 343)	(39 928)	(16 008)
Headline loss per share (cents)	(35.24)	(47.03)	(19.43)

Reconciliation of basic headline loss to diluted headline loss

Headline loss	(37 343)	(39 928)	(16 008)
Adjustments	-	-	-
Diluted headline loss	(37 343)	(39 928)	(16 008)
Diluted weighted average number of shares	105 978	86 997	82 372
Diluted Headline loss per share (cents)	(35.24)	(47.03)	(19.43)
Number of shares in issue ('000)	112 635	100 135	83 469

10. Share based payment

Renergen granted shares to general employees, senior management and executive directors. These shares vest after 36 months of employment with the Company, there are no vesting conditions.

	Reviewed 31 August 2019			Audited 28 February 2019			Reviewed 31 August 2018		
	Number of shares awarded ('000)	Fair value per share	Value of Shares (R'000)	Number of shares awarded ('000)	Fair value per share	Value of Shares (R'000)	Number of shares awarded ('000)	Fair value per share	Value of Shares (R'000)
Opening balance – total shares awarded	108		1 095	81		824	81		824
Allocation for the period	169	8.17	1 380	27	9.9	271	27	9.9	271
Total shares awarded to date	277		2 475	108		1 095	108		1 095

Renergen granted Share Options to its ASX lead adviser, Corporate adviser and non-executive director at ASX IPO on 6 June 2019

	Reviewed 31 August 2019			Audited 28 February 2019			Reviewed 31 August 2018		
	Number of share options awarded ('000)	Fair value per share option	Value of Shares options(R'000)	Number of share options awarded ('000)	Fair value per share option	Value of Share options (R'000)	Number of share option awarded ('000)	Fair value per share option	Value of Share options (R'000)
Allocation for the period									
Lead adviser	3 379	1.03	3 483	-	-	-	-	-	-
Corporate adviser	1 670	1.65	2 787	-	-	-	-	-	-
Non-executive director	250	0.21	53	-	-	-	-	-	-
Closing share options award	5 299		6 323	-	-	-	-	-	-

IMPACT OF SHARE-BASED PAYMENTS ON THE FINANCIAL STATEMENTS IS DETAILED BELOW:

Figures in (R'000)	Reviewed 31 August 2019		Audited 28 February 2019		Reviewed 31 August 2018	
	Statement of profit or loss	Statement of financial position – share based payment reserves	Statement of profit or loss	Statement of financial position – share based payment reserves	Statement of profit or loss	Statement of financial position – share based payment reserves
Opening balance	-	448	-	114	-	114
Movement for the year:	6 632	6 632	334	334	154	154
Current year Share-based payment expense	6 632	-	334	-	154	-
Closing balance – Share based payment reserve	-	7 080	-	448	-	268

11. Contingent liabilities and commitments

11.1. Contingent liabilities

There are no contingent liabilities in the reviewed Condensed Consolidated interim financial statements for the period ending 31 August 2019.

11.2. Commitments

The board approved capital expenditure of R512 million for spend on the New Plant and drilling in the 2019 financial year. As at the end of the reporting period the gas gathering contract to the value of R116 million was executed, work commenced soon after the reporting period.

Tetra4 (Pty) Ltd concluded a finance agreement with OPIC on 20 August 2019, one of the conditions precedent in the agreement is the Company ceding *in securitatem debiti* to OPIC certain property and rights.

12. Events after the reporting period

On 11 September 2019, Renergen announced the appointment of Bohrmeister Technik Proprietary Limited ("Bohrmeister") as the well credentialed drilling contractor to undertake the drilling of a horizontal well in the prospective sandstone contained within the New Liquified Natural Gas (LNG) and Liquified Helium plant's production area.

As per the SENS announcement dated 17 September 2019, Renergen redeemed the Convertible Notes issued in December 2018. The Notes have been redeemed at their face value of AUD 500 000. The Notes had an interest rate of 15% per annum and were convertible into shares at an equivalent price of AUD 0.74 per share.

On 19 September 2019, Tetra 4 has entered into a fathers Borrower's Security Cession with OPIC in terms of the Cession Agreement Tetra4 has ceded certain property and rights to OPIC.

The directors are not aware of any material events that occurred after the reporting period and up to the date of this report.

13. Going concern

The reviewed consolidated Interim Financial Statements have been prepared assuming the Group will continue as a going concern, which contemplates the realisation of assets and satisfaction of liabilities in the normal course of business for the foreseeable future. The Group's ability to achieve profitability is dependent on the capital spend of proceeds raised from the currently underway capital raise. The Directors have reviewed the Group's forecasts for the next twelve months and is satisfied with the Group's ability to continue as a going concern.

The Group has received a funding commitment of \$40million from Overseas Private Investment Corporation to spend towards the New Plant Project and has successfully completed a secondary listing on the ASX where an additional A\$10 million was raised. The construction of the New Plant commences in the current financial year. Sale of Liquified Natural Gas (LNG) and Helium (He) is expected to commence in the financial year 2021. The Group has entered into off take agreements for the sale of both LNG and He.

Johannesburg

27 September 2019

Designated Advisor

PSG Capital

CORPORATE INFORMATION

Country of incorporation and domicile	South Africa
Company and registration number	2014/195093/06
JSE Share code	REN
JSE ISIN	ZAE000202610
ASX Share code	RLT
ASX Business number	93 998 352 675
Registered office	First Floor, 1 Bompas Road Dunkeld West 2196
Nature of the business and principal activities	Energy company focused on alternative and renewable energy sectors in South Africa and sub-Saharan Africa. The Company is listed on the JSE Alternative Exchange ("AltX"), as well as the Australian Securities Exchange ("ASX")
Directors	Stefano Marani Fulu Ravele Nick Mitchell Brett Kimber Mbali Swana Luigi Matteucci Bane Maleke Francois Olivier David King
Auditors	Mazars Chartered Accountants (SA) Registered Auditors
Company Secretary	Acorim Proprietary Limited
Transfer secretaries	Computershare Investor Services Proprietary Limited
Designated adviser	PSG Capital

UNMODIFIED REVIEW REPORT**Condensed consolidated interim financial statements (JSE listed) (ISRE2410)****Independent auditor's review report on interim financial statements***To the Shareholders of Renergen Limited*

We have reviewed the condensed consolidated financial statements of Renergen Limited, contained in the accompanying interim report, which comprised the condensed consolidated statement of financial position as at 31 August 2019 and the condensed consolidated statements of comprehensive income, changes in and cash flows for the six-months then ended 31 August 2019, and selected explanatory notes.

Directors' Responsibility for the Interim Financial Statements

The directors are responsible for the preparation and presentation of these interim financial information in accordance with the International Financial Reporting Standard (IAS) 34 *Interim Financial Reporting*, the SAICA Financial Reporting Guides, as issued by the Accounting Practices Committee and the Financial Pronouncements as issued by Financial Reporting Standards Council and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of interim financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on these interim financial statements. We conducted our review in accordance with International Standard on Review Engagements (ISRE) 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. ISRE 2410 requires us to conclude whether anything has come to our attention that causes us to believe that the interim financial statements are not prepared in all material respects in accordance with the applicable financial reporting framework. This standard also requires us to comply with relevant ethical requirements.

A review of interim financial statements in accordance with ISRE 2410 is a limited assurance engagement. We perform procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluate the evidence obtained.

The procedures performed in a review are substantially less than and differ in nature from those performed in an audit conducted in accordance with International Standards on Auditing. Accordingly, we do not express an audit opinion on these financial statements.

REGISTERED AUDITOR – A FIRM OF CHARTERED ACCOUNTANTS(SA) • IRBA REGISTRATION NUMBER 900222

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PARTNERS: MV NINAN (NATIONAL CO-CEO), MC OLCKERS (NATIONAL CO-CEO), SJ ADLAM, B BANK, R BUCH, JC COMBRINK, GJ DE BEER, JJ ELOFF, MH FISHER, GD JACKSON, D KEEVE, R MURUGAN, MV PATEL, S RANCHHOOJEE, NP SWARTZ, DM TEKIE, S TRUTER, S VORSTER

A FULL LIST OF NATIONAL PARTNERS IS AVAILABLE ON REQUEST OR AT www.mazars.co.za

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated financial statements of Renergen Limited for the six months ended 31 August 2019 are not prepared, in all material respects, in accordance with the International Financial Reporting Standard, (IAS) 34 *Interim Financial Reporting*, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by Financial Reporting Standards Council and the requirements of the Companies Act of South Africa.



Mazars

Partner: Shaun Vorster

Registered Auditor

Date: 27 September 2019

Johannesburg