

**RENERGEN LIMITED**

Incorporated in the Republic of South Africa  
(Registration number: 2014/195093/06)  
JSE Share code: REN  
ISIN: ZAE000202610



Australian Business Number (ABN): 93 998 352 675  
ASX Share code: RLT  
("Renergen" or "the Company")

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**CAUTIONARY UPDATE ON HORIZONTAL DRILLING**

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Emerging domestic natural gas and helium producer Renergen is pleased to provide the following update on its current horizontal drilling operations targeting the previously announced 90 sq km sandstone unit within the Company's Production Right area.

**Background**

The horizontal well has been designed to evaluate the extent and composition of any gas in this sandstone unit, where a previous vertical well encountered overpressured natural gas with a very high (11%) concentration of helium. A successful horizontal well, establishing material extent and sustainable commercial gas flow rates for this target reservoir, would underpin a significant expansion ("Phase II") of the Virginia Gas Project currently being developed.

**Current Operations**

The well was drilled to a depth of 254 metres in the Karoo Formation overlying the target sandstone, and casing has been set in anticipation of penetrating the sandstone a short distance laterally from the casing shoe. Given the high pressures and concentration of helium encountered in the original discovery well, the Company has taken all necessary measures to ensure the integrity of the well and has successfully confirmed the integrity of the casing cementation.

Drilling out of the casing shoe commenced on 29th November 2019 and the well is currently drilling ahead horizontally in Karoo Formation. Shortly after drilling out of the casing shoe, while still in the Karoo Formation (i.e. prior to intersecting the target sandstone) shows of gas were recorded in the drilling mud followed by a short-term venting of pressurized gas.

**Cautionary**

Evaluation of the drilling in the horizontal sandstone section, once penetrated, will be reported as soon as meaningful results are available. Until such time as these results become available the Company is unable to provide any further guidance, and accordingly advises caution is dealing with the Company's securities.

Johannesburg  
2 December 2019

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