

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")



WITHDRAWAL OF CAUTIONARY: GAS STRIKE WITH 12% HELIUM

Emerging domestic natural gas and helium producer, Renergen is pleased to announce that drilling of the horizontal well has progressed through the Karoo Supergroup, and has successfully intersected gas charged sandstones and fractures as was predicted in the pre-drill prognosis.



The gas was intersected under pressure in the morning of the 9 December 2019, after having drilled approximately 50 meters into the sandstone. The team on site has been flaring the gas

for initial flow testing, which reached a flow rate of 850,000 standard cubic feet per day with the valves partially closed in order to keep conditions on site safe. When fully closed, the well reaches around 12 bar (174 psi) of pressure. More crucially, the gas composition is 12% helium, with methane of over 75% based on preliminary laboratory analysis of the sampled gas flow.

On current plans, the well will be drilled a further 1,200m horizontally in January into the sandstone to maximise the productive reservoir intersection, which should in turn maximise flow potential. The reservoir size and deliverability will ultimately determine the extent of any reserve, which will in turn determine the size of Phase II of the Virginia Gas Project.

Commenting on the early drilling success, Stefano Marani, CEO of Renergen said *“This has all the indications of being a game changer, and significantly bigger and better than we originally thought. Obviously lots more testing is required to determine the size of the reservoir, but what is key to understand is that this sandstone play has not been factored into any previous reports, so this is basically a new discovery for us. With a 12% helium concentration and these flow rates, this has the potential to become a globally significant helium resource and could make Renergen a significant helium supplier globally.*

“This well sets a strong foundation as we look to determine the size of Phase II of the Virginia Gas Project. The flow testing equipment limited initial flow rates from the very limited section of sandstone so far drilled, but the associated volumes of methane could add power generation to the Company’s mix of helium and LNG, with power perhaps as high as 100MW. Renergen will now welcome proposals from interested parties on gas fired power solutions as well as from parties looking to receive power in the Free State.

“We will focus on completing the well and flow testing in order to estimate the extent of the accumulation and confirm its deliverability, which we expect to be completed in March 2020.”

Shareholders are referred to the cautionary announcement released on SENS on 2 December 2019 and are advised that due to the information released in this announcement, caution in dealing in Renergen shares is no longer required.

Johannesburg
17 December 2019

Designated Advisor
PSG Capital



For Australian Investors & Media, contact Citadel-MAGNUS
Cameron Gilenko, 0466 984 953
Tom Kohlen, 0419 95 526

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