

RENERGEN LIMITED

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("Renergen" or "the Company")



PHASE 2 VIRGINIA GAS PROJECT STUDIES UNDERWAY

Emerging helium and natural gas company Renergen Limited is pleased to announce that it has contracted with three companies for the engineering studies of Phase 2 of the Virginia Gas Project ("Virginia" or "Project"), located in Free State, South Africa:

- Saipem SpA ("Saipem") is a global solution provider in engineering, drilling and construction of major projects in the energy and infrastructure sectors, has been awarded the Front-End Engineering Design ("FEED") contract for the development of the downstream (liquid natural gas and liquid helium processing facilities including the associated balance of plant);
- EPCM Holdings ("EPCM") is a global engineering, procurement and construction company, and is currently constructing Renergen's Phase 1 gas gathering pipeline, has been awarded the FEED contract for the development of Renergen's Phase 2 gas gathering pipeline; and
- Sproule is a leading independent consulting and advisory firm, which has been awarded the contract to evaluate and certify the reserves based on results of the additional data acquisition and the current drilling campaign. This will build on previous work carried out by MHA Petroleum Consultants, acquired by Sproule in 2019.

The three contracts will culminate in the completion of the feasibility studies for Renergen's Virginia Gas projects' phase 2 development and is expected to be completed on or around the 2nd quarter 2021 with a Financial Investment Decision by the Board expected to be taken thereafter. The Virginia Gas Project boasts significant Proven and Prospective helium Reserves and Resources. Importantly, the Virginia Gas Project contains one of the richest helium concentrations recorded globally, with readings of up to 12%.

Phase 1 of production is expected to come into operation later this year, with initial volumes of around 350kg of helium and 2,500GJ of liquefied natural gas (LNG) per day.

Phase 2 will be a significantly more substantial project. The project encompasses the design of the facilities that will allow Renergen to produce significantly larger quantities of LNG and liquid helium. LNG will be used in South Africa, providing a competitive and cleaner energy source to the country, whilst liquid helium will be exported internationally.

Stefano Marani said, “This is a significant step forward in the planning of Phase 2, as it not only defines the total capital expenditure required but will clearly help define the project’s financial parameters. Working with organisations like Saipem, EPCM and Sproule brings a wealth of knowledge, experience and technical capability to the overall project, which we believe will be of great benefit to our stakeholders and the long-term value of the Virginia Gas Project.”

Eric Zielinski, Upstream & LNG Product Manager of XSIGHT, the Division of Saipem dedicated to engineering phases such as conceptual and front-end engineering to which the FEED contract has been assigned, said, “Through this contract Saipem extends its presence in South Africa and is involved in an exciting, world-class development project. The FEED contract specifications for Virginia Gas Project fully fits within our strategy of diversification providing innovative ideas for the new energy movement, enabling carbon footprint reductions, and helping to produce a rare and valuable commodity such as helium. The technologies developed by Saipem for small to mid-scale natural gas liquefaction plants fully fit for this application, thanks to their flexibility and robustness.”

Tom Cowan, Managing Director of EPCM said “EPCM looks forward to our continued partnership with Renergen to further develop the Virginia Gas Project. Having been involved since the very early stages of the development, we are proud of the progress thus far and are optimistic for what is to come from Phase 2.

We are excited by the opportunities and economic growth that this project and the introduction of LNG will bring to the local South African market.”

Jeff Aldrich, Sr. Geoscientist at Sproule said “Sproule appreciates the opportunity to continue our long-standing relationship with Renergen by providing expert third party reserve and resource evaluations of the helium and methane resources of the Virginia Gas Project. We look forward to incorporating the new data into the existing models to advance this project along its milestones.”

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Authorised by: Stefano Marani
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Designated Advisor

PSG Capital



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