

RENERGEN LIMITED

Incorporated in the Republic of South Africa

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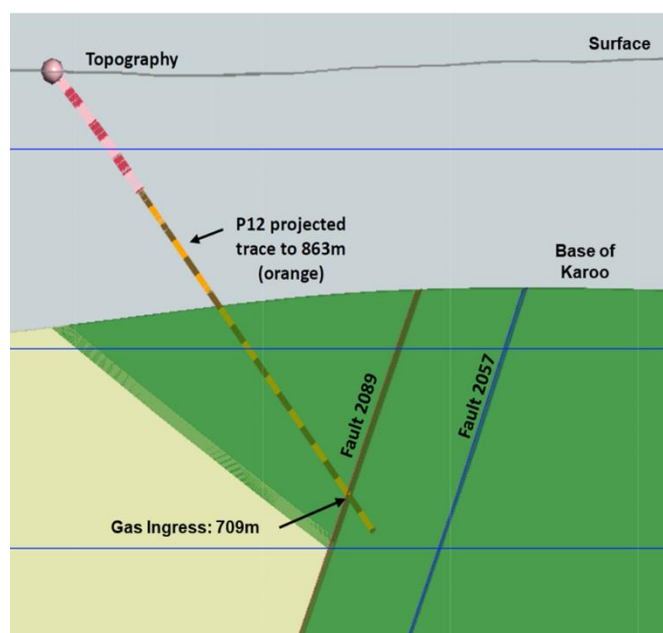
("Renergen" or "the Company")



1.9% HELIUM SURPRISE IN P12 AT VIRGINIA GAS PROJECT

Natural gas and helium producer Renergen is pleased to announce that the P12 well, which we previously advised would be plugged and abandoned (ASX release June 30, 2021), was observed to commence flowing gas (at low rates) in the days following rig release. The flow rate has subsequently continued to increase with a current flow rate in excess of 30,000 standard cubic feet per day. Most significantly, the measured helium concentration in the gas stream is high at 1.9%.

This well was drilled using standard rotary drilling, which uses water as a drill fluid to remove cuttings during drilling. Fractures intersected during drilling can drain the drilling fluid, and so it is common practice to use Lost Circulation Material, or LCM, to seal the fractures temporarily and allow water laden with drill cutting to circulate back to the surface. When drilling is complete the LCM typically dries and shrinks; in the case of P12, it appears that it took the LCM over a week to shrink enough to allow gas to flow to surface. Although initially the flow was at very low rates, the rate has been steadily climbing daily, and is expected to continue to do so until all the LCM has been completely dried out over the coming weeks.



The figure above shows an approximate trajectory of the well, along with the gas ingress point. The well targeted an interpreted fault labelled 2089, to ascertain whether the fault is gas-bearing.

“The significance of this discovery cannot be overstated. Whilst drilling the well was risky with a low conviction of success, the team did its homework and we decided to drill the well to confirm if this fault is gas-bearing, and more importantly whether it contains helium. I cannot express how proud I am of the team and its achievements on a 5 for 6 drilling campaign,” said CEO, Stefano Marani.

Johannesburg
12 July 2021

Authorised by: Stefano Marani
Chief Executive Officer

Designated Advisor
PSG Capital



PSG CAPITAL

For Australian Investors & Media, contact Citadel-MAGNUS
Cameron Gilenko, 0466 984 953

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