

## RENERGEN LIMITED

Incorporated in the Republic of South Africa  
(Registration number: 2014/195093/06)

JSE Share code: REN

A2X Share code: REN

ISIN: ZAE000202610

LEI: 378900B1512179F35A69

Australian Business Number (ABN): 93 998 352 675

ASX Share code: RLT

(“**Renergen**” or “**the Company**”)



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## CENTRAL ENERGY FUND TO INVEST R1BN IN VIRGINIA GAS PROJECT

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- Non-binding term sheet signed with State-owned Central Energy Fund to sell 10% of subsidiary company Tetra4, 100% owner of Virginia Gas Project for R1bn (A\$91.3mn)
- Transaction is subject to completion of conditions precedent listed below
- The parties have 141 days to execute binding agreements and following completion Renergen has the right to renegotiate price
- Proceeds from the Central Energy Fund subscription will be used to progress development of Phase II of the Virginia Gas Project by Renergen
- Investment by CEF will provide exposure to economic participation in South Africa’s first and only onshore petroleum production right
- Agreement between parties, follows strategic partnership announced between Renergen and Ivanhoe Mines, as the Company approaches commencement of Phase 1 operations

Renergen is pleased to announce that following negotiations with the Central Energy Fund, a term sheet has been agreed between the parties, which if binding agreements are executed within the stipulated time-period, will see the Central Energy Fund invest R1bn into Tetra4 Proprietary Limited. The major investment will see Central Energy Fund take a 10% stake in Tetra4.

If binding contracts have not been executed after 141 days, the purchase price shall be renegotiated in good faith.

Central Energy Fund is a State-owned diversified energy company with an investment mandate focused on contributing to the energy security of South Africa. The agreement between Renergen and Central Energy Fund, follows the strategic partnership announced last week between Renergen and the Robert Friedland-led Ivanhoe Mines and comes at an exciting time for the Company, with Phase 1 operations at Virginia Gas Project (“**Virginia**”) due to commence in April.

“Renergen and the CEF’s relationship goes back many years. Importantly, during this time Renergen has successfully grown Virginia in a size and scale, highlighted by the growth both of our helium and methane reserves, which have finally reached the critical mass to enjoy CEF’s involvement. Today’s investment commitment is a result of long-term discussions between CEF and Renergen and during this time the CEF team have been amazing to deal with and I am very pleased to be able welcome them as a major investor in our future.

“I along with the Renergen Board and management team look forward to building on the strong strategic partnership with CEF as we embark on Phase 1 operations in April and establishing Virginia as a significant domestic and global gas producer.

“The future is extremely bright for Renergen and shareholders should be very excited by what we are building. To sign CEF and Ivanhoe Mines in the space of two weeks as major investors and strategic partners, highlights the significant growth of the Company and the critical role Virginia will play in the future supply of clean energy as well as in-demand helium.” said Stefano Marani, CEO of Renergen.

“Our participation in the Renergen project is in line with the newly adopted strategy of being a “strategic investor” in the energy value chain that is geared to support the region’s energy needs, leading the energy security and just transition programme for South Africa,” said CEF CEO Dr Ishmael Poolo.

## 1. TRANSACTION

The Company’s, wholly-owned subsidiary Tetra4 Proprietary Limited (“**Tetra4**”), entered into a term sheet (“**Term Sheet**”) with Central Energy Fund SOC Ltd (“**CEF**” or the “**Purchaser**”), in terms of which CEF will make a strategic investment into Tetra4 by way of a fresh issue of shares by Tetra4 to CEF, resulting in CEF becoming a 10% shareholder in Tetra4 for a total subscription consideration of R1 billion, or A\$91.3 million equivalent (“**Subscription Consideration**”) (“**Subscription**”).

## 2. RATIONALE FOR THE SUBSCRIPTION

The proceeds from the Subscription will be used to progress the development of Phase II of the Virginia Gas Project by Renergen. The transaction will introduce State participation into the Virginia Gas Project, which will strengthen Renergen’s strategic position locally as a domestic energy producer and broaden the positive relationship Renergen enjoys with the South African government at all levels.

The transaction will also give the CEF economic participation in South Africa’s first and only onshore petroleum production right, signalling the state’s entry into the country’s maiden commercial liquefied natural gas (“**LNG**”) production.

## 3. CONDITIONS PRECEDENT

The Subscription is subject to the fulfilment of the following conditions precedent (“**Conditions Precedent**”):

- Successful completion of a technical, commercial, financial, legal and tax due diligence;
- internal CEF approval;
- Department of Minerals and Energy ministerial approval;
- National Treasury approval; and
- signing of binding legal agreements.

The Conditions Precedent must be fulfilled by not later than 141 days from the signature of the Term sheet, which date may be extended by the parties in writing.

Johannesburg  
28 March 2022

Authorised by: Stefano Marani  
Chief Executive Officer

Transaction Advisor: Gneiss Energy

Designated Advisor and corporate advisor  
PSG Capital



PSG CAPITAL

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