

HAZER COMMERCIAL DEMONSTRATION PROJECT UPDATE

PERTH, AUSTRALIA; 12 November 2021: Hazer Group Ltd ("Hazer" or "the Company") (ASX: HZR) is pleased to provide the following update on the progress, cost and schedule of the Hazer Commercial Demonstration Project (CDP) being constructed at Water Corporation's Woodman Point Water Recovery Facility.

Construction activities are now fully underway at the Hazer CDP. Structural, mechanical and piping (SMP) and Electrical and Instrumentation (E&I) works are advancing with good progress made in the installation of pipe-racks and piping, cladding and insulation scopes, installation of various mechanical equipment packages (CO₂ removal systems, siloxane removal system, nitrogen and air utility compressors, process chiller package), valving and instrumentation installation, and construction of the main structure frame. Significant milestones were also achieved with the installation of transformer units and connection to the Western Power grid. A photograph of the site as at 8 November 2021 is attached below.



As we progress through construction, we continue to experience further inflationary pressure with increased pricing associated with a number of work packages related to increased costs of materials, labour and services. In addition, our costs also have increased due to a number of design changes we have made to ensure safe operations in the high temperature sections of the plant. This reflects the first of kind nature and the technical complexity of our plant.

Hazer now expects the final project cost to be above the previously indicated \$22 million. We expect the increase to be between \$1-3 million. Hazer remains fully funded to complete the construction and commissioning of the CDP, as well as our ongoing R&D, technology development and engineering studies and business development activities.

As previously advised, we continue to target a commissioning date of 1Q 2022, with good progress being maintained on equipment packages and construction activities. We have been advised of a further 25 day delay to the delivery of the main reactor shell. This is due to the specialist mills fabricating and forging the reactor being required by local and provincial authorities in China to scale-back operations to preserve power

capacity. We continue to monitor this situation but do not expect it to impact our currently advised commissioning target date.

Geoff Ward, Chief Executive Officer of Hazer said "I am delighted to see the CDP site taking shape and progress on all of fronts. We continue to work closely with our engineering contractor, Primero Group, and our suppliers to mitigate costs increases and maintain the project schedule. As we receive more process modules, complete fabrication of structural items and receive more equipment on site we are progressively reducing our cost and schedule risks."

This announcement was authorised for release by the Board of the Company.

[ENDS]

Forward Looking Statements

This announcement may contain certain "forward looking statements" which may not have been based solely on historical facts, but rather are based on the Company's current expectations about future events and results.

Where the Company expresses or implies an expectation or belief as to future events or results, such expectation or belief is expressed in good faith and believed to have a reasonable basis. However, forward looking statements are subject to risks, uncertainties, assumptions, and other factors, which could cause actual results to differ materially to future results expressed, projected, or implied by such forward looking statements.

The Company does not undertake any obligation to release publicly any revisions to any "forward looking statements" to reflect events or circumstances after the date of this announcement or to reflect the occurrence of unanticipated events, except as may be required under the applicable securities laws.

ABOUT HAZER GROUP LIMITED

Hazer Group Limited ("Hazer" or "the Company") is an ASX-listed technology development company undertaking the commercialisation of the Hazer Process, a low-emission hydrogen and graphite production process. The Hazer Process enables the effective conversion of natural gas and similar methane feedstocks, into hydrogen and high-quality graphite, using iron ore as a process catalyst.

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