

APPENDIX 3B & CLEANSING NOTICE

PERTH, AUSTRALIA; 8 NOVEMBER 2019: Hazer Group (ASX: HZR) (**Hazer** or the **Company**) provides the following information in relation to the shares issued today (shown in the **attached** Appendix 3B being 6,493,505 new fully paid ordinary shares) pursuant to the Company's placement announced **4 November 2019** to sophisticated and professional investors ("**Placement Shares**").

Also announced today is a copy of the offer booklet relating to the share purchase plan (**SPP**) announced to the ASX on 4 November 2019. Under the SPP, eligible shareholders will be invited to subscribe for up to A\$30,000 worth of fully paid ordinary shares in the Company (subject to scale back) at a subscription price of A\$0.385 per share (**New Shares**). The SPP is only being offered to eligible shareholders who were the registered holders of fully paid ordinary shares in the Company as at 4 p.m. (AWST) on 1 November 2019 (**Record Date**), and whose address in the Company's register is in Australia or New Zealand.

Information for the purposes of ASX Listing Rule 3.10.5A

For the purposes of ASX Listing Rule 3.10.5A, the Company provides the following information in respect of the Placement conducted under ASX Listing Rule 7.1A:

- 1 The Placement conducted using the Company's capacity under ASX Listing Rule 7.1A represents dilution to current shareholders of 6%.
- 2 The Company conducted a placement under Listing Rule 7.1A as it believed that this was an efficient mechanism for raising funds for its working capital purposes. The Company is also providing eligible shareholders the opportunity to participate in the SPP at the same issue price.
- 3 There was no underwriting arrangements for the Placement.
- 4 Applications for the Placement shares issued under Listing Rule 7.1A were made via a broker. A broker's fee of 5% of the amounts raised by the broker will be payable, exclusive of GST and a licensing fee of 1% of the amounts raised by the broker, exclusive of GST will be payable. There are no other costs of the Placement, other than normal administrative, legal, share registry and ASX fees.

Notice pursuant to Section 708A(5)(e) of the Corporations Act 2001 (Cth) ("Act") and ASIC Corporations (Share and Interest Purchase Plans) Instrument 2019/547

The Act restricts the on-sale of securities issued without disclosure, unless the sale is exempt under section 708 or 708A of the Act. By giving this notice, the Placement Shares noted in the attached Appendix 3B will fall within the exemption in section 708A(5) of the Act.

For the purposes of section 708A(6) of the Corporations Act, the Company gives a notice that:

- 1 the Company issued the Placement Shares without disclosure under Part 6D.2 of the Act; and
- 2 the notice is given under section 708A(5)(e) of the Act and for the purposes of ASIC Corporations (Share and Interest Purchase Plans) Instrument 2019/547; and
- 3 as at the date of this notice, the Company has complied with the provisions of Chapter 2M of the Act as they apply to the Company, and section 674 of the Act; and
- 4 as at the date of this notice, there is no information to be disclosed under section 708(6)(e) of the Act which is excluded information (as defined in sections 708A(7) and 708A(8) of the Act).

For further information please contact:

Emma Waldon

Company Secretary

ewaldon@hazergroup.com.au

+61 8 6230 2259

[ENDS]

ABOUT HAZER GROUP LTD

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.

Hazer Group Limited - Social Media Policy

Hazer Group Limited is committed to communicating with the investment community through all available channels. Whilst ASX remains the prime channel for market sensitive news, investors and other interested parties are encouraged to follow Hazer on Twitter (@hazergroupltd), LinkedIn, Google+ and YouTube.

Subscribe to HAZER NEWS ALERTS - visit our website at www.hazergroup.com.au and subscribe to receive HAZER NEWS ALERTS, our email alert service. HAZER NEWS ALERTS is the fastest way to receive breaking news about @hazergroupltd.



Rule 2.7, 3.10.3, 3.10.4, 3.10.5

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12, 04/03/13

Name of entity

Hazer Group Limited

ABN

40 144 044 600

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | | |
|---|---|-----------------|
| 1 | +Class of +securities issued or to be issued | Ordinary shares |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | 6,493,505 |
| 3 | Principal terms of the +securities (e.g. if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | Ordinary shares |

+ See chapter 19 for defined terms.

Appendix 3B

New issue announcement

4	<p>Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?</p> <p>If the additional +securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 	Yes, rank equally with HZR ordinary shares
5	Issue price or consideration	Total cash consideration of \$2,500,000 (\$0.385 per share)
6	Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)	The purpose of the issue is to support development of the Commercial Demonstration Plant, the first fully integrated, operational production facility based on the Hazer Process, Hazer's ongoing research and development program into applications for our graphite advanced carbon material (including the recently announced partnership with the Innovative Manufacturing Co-operative Research Centre), business development activities, and general working capital.
6a	<p>Is the entity an +eligible entity that has obtained security holder approval under rule 7.1A?</p> <p>If Yes, complete sections 6b – 6h in relation to the +securities the subject of this Appendix 3B, and comply with section 6i</p>	Yes
6b	The date the security holder resolution under rule 7.1A was passed	14 November 2018
6c	Number of +securities issued without security holder approval under rule 7.1	0

+ See chapter 19 for defined terms.

6d	Number of +securities issued with security holder approval under rule 7.1A	6,493,505	
6e	Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)	0	
6f	Number of +securities issued under an exception in rule 7.2	0	
6g	If +securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the +issue date and both values. Include the source of the VWAP calculation.	Yes. Issue price of \$0.385 is 80% of 15 day VWAP on 4 November 2019 (calculated from Bloomberg data), the date on which the issue price was agreed which is within 5 trading days of the issue date of 8 November 2019	
6h	If +securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements	N/A	
6i	Calculate the entity’s remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements	14,589,128 – 7.1 3,232,580 – 7.1A	
7	+Issue dates Note: The issue date may be prescribed by ASX (refer to the definition of issue date in rule 19.12). For example, the issue date for a pro rata entitlement issue must comply with the applicable timetable in Appendix 7A. Cross reference: item 33 of Appendix 3B.	8 November 2019	
8	Number and +class of all +securities quoted on ASX (including the +securities in section 2 if applicable)	Number	+Class
		103,754,361	Ordinary Shares (HZR)

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

	Number	+Class
9 Number and +class of all +securities not quoted on ASX (including the +securities in section 2 if applicable)	11,500,000 4,850,000 7,000,000 4,166,667 3,750,000 3,500,000 2,000,000 4,050,000 3,450,000	<i>Unlisted Options*:</i> - Series B - Series D - Series G - Series H - Series J - Series K - Series L - Series M - Series N

** Refer to Annexure 2 for a Summary of Unlisted Option Terms.*

10 Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	There is no immediate intention to declare or distribute dividends.
---	---

+ See chapter 19 for defined terms.

Part 2 - Pro rata issue

11	Is security holder approval required?	N/A
12	Is the issue renounceable or non-renounceable?	N/A
13	Ratio in which the ⁺ securities will be offered	N/A
14	⁺ Class of ⁺ securities to which the offer relates	N/A
15	⁺ Record date to determine entitlements	N/A
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	N/A
17	Policy for deciding entitlements in relation to fractions	N/A
18	Names of countries in which the entity has security holders who will not be sent new offer documents <small>Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.</small>	N/A
19	Closing date for receipt of acceptances or renunciations	N/A

⁺ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

20	Names of any underwriters	N/A
21	Amount of any underwriting fee or commission	N/A
22	Names of any brokers to the issue	N/A
23	Fee or commission payable to the broker to the issue	N/A
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of security holders	N/A
25	If the issue is contingent on security holders' approval, the date of the meeting	N/A
26	Date entitlement and acceptance form and offer documents will be sent to persons entitled	N/A
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	N/A
28	Date rights trading will begin (if applicable)	N/A
29	Date rights trading will end (if applicable)	N/A
30	How do security holders sell their entitlements <i>in full</i> through a broker?	N/A
31	How do security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	N/A

+ See chapter 19 for defined terms.

- | | | |
|----|--|-----|
| 32 | How do security holders dispose of their entitlements (except by sale through a broker)? | N/A |
| 33 | ⁺ Issue date | N/A |

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

- 34 Type of ⁺securities
(tick one)
- (a) ☒ ⁺Securities described in Part 1
- (b) ☐ All other ⁺securities
- Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

- 35 ☐ If the ⁺securities are ⁺equity securities, the names of the 20 largest holders of the additional ⁺securities, and the number and percentage of additional ⁺securities held by those holders
- 36 ☐ If the ⁺securities are ⁺equity securities, a distribution schedule of the additional ⁺securities setting out the number of holders in the categories
- 1 - 1,000

1,001 - 5,000

5,001 - 10,000

10,001 - 100,000

100,001 and over
- 37 ☐ A copy of any trust deed for the additional ⁺securities

⁺ See chapter 19 for defined terms.

Entities that have ticked box 34(b)

38	Number of +securities for which +quotation is sought					
39	+Class of +securities for which quotation is sought					
40	<p>Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?</p> <p>If the additional +securities do not rank equally, please state:</p> <ul style="list-style-type: none">• the date from which they do• the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment• the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment					
41	<p>Reason for request for quotation now</p> <p>Example: In the case of restricted securities, end of restriction period</p> <p>(if issued upon conversion of another +security, clearly identify that other +security)</p>					
42	Number and +class of all +securities quoted on ASX (including the +securities in clause 38)	<table border="1"><thead><tr><th>Number</th><th>+Class</th></tr></thead><tbody><tr><td></td><td></td></tr></tbody></table>	Number	+Class		
Number	+Class					

+ See chapter 19 for defined terms.

Quotation agreement

- 1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.
- 2 We warrant the following to ASX.
 - The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
 - There is no reason why those +securities should not be granted +quotation.
 - An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.
Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty
 - Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
 - If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.
- 3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.
- 4 We give ASX the information and documents required by this form. If any information or document is not available now, we will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.



Sign here: Date: 8 November 2019
(Company secretary)
Print name: Emma Waldon

== == == == ==

+ See chapter 19 for defined terms.

Appendix 3B – Annexure 1

Calculation of placement capacity under rule 7.1 and rule 7.1A for eligible entities

Introduced 01/08/12 Amended 04/03/13

Part 1

Rule 7.1 – Issues exceeding 15% of capital	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
Insert number of fully paid +ordinary securities on issue 12 months before the +issue date or date of agreement to issue	89,390,578
Add the following: <ul style="list-style-type: none"> Number of fully paid +ordinary securities issued in that 12 month period under an exception in rule 7.2 Number of fully paid +ordinary securities issued in that 12 month period with shareholder approval Number of partly paid +ordinary securities that became fully paid in that 12 month period Note: <ul style="list-style-type: none"> Include only ordinary securities here – other classes of equity securities cannot be added Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed It may be useful to set out issues of securities on different dates as separate line items 	1,291,428 – issue of shares on exercise of Listed Options and Series C options, 16 November 2018 500,000 – issue of shares on exercise of Listed Options, 19 November 2018 520,000 – issue of shares on exercise of Series C options, 3 December 2018 1,710,000 – issue of shares on exercise of Series C options, 13 December 2018 400,000 – issue of shares on exercise of Series C options, 31 December 2018 3,448,850 – issue of shares on exercise of Listed Options, 7 January 2019
Subtract the number of fully paid +ordinary securities cancelled during that 12 month period	Nil
“A”	97,260,856

+ See chapter 19 for defined terms.

Step 2: Calculate 15% of “A”	
“B”	0.15 <i>[Note: this value cannot be changed]</i>
Multiply “A” by 0.15	14,589,128
Step 3: Calculate “C”, the amount of placement capacity under rule 7.1 that has already been used	
<p>Insert number of ⁺equity securities issued or agreed to be issued in that 12 month period <i>not counting</i> those issued:</p> <ul style="list-style-type: none"> • Under an exception in rule 7.2 • Under rule 7.1A • With security holder approval under rule 7.1 or rule 7.4 <p><i>Note:</i></p> <ul style="list-style-type: none"> • <i>This applies to equity securities, unless specifically excluded – not just ordinary securities</i> • <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	Nil
“C”	Nil
Step 4: Subtract “C” from [“A” x “B”] to calculate remaining placement capacity under rule 7.1	
<p>“A” x 0.15</p> <p><i>Note: number must be same as shown in Step 2</i></p>	14,589,128
<p>Subtract “C”</p> <p><i>Note: number must be same as shown in Step 3</i></p>	Nil
Total [“A” x 0.15] – “C”	14,589,128 <i>[Note: this is the remaining placement capacity under rule 7.1]</i>

+ See chapter 19 for defined terms.

Part 2

Rule 7.1A – Additional placement capacity for eligible entities	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
“A” <i>Note: number must be same as shown in Step 1 of Part 1</i>	97,260,856
Step 2: Calculate 10% of “A”	
“D”	0.10 <i>Note: this value cannot be changed</i>
Multiply “A” by 0.10	9,726,085
Step 3: Calculate “E”, the amount of placement capacity under rule 7.1A that has already been used	
Insert number of +equity securities issued or agreed to be issued in that 12 month period under rule 7.1A <i>Notes:</i> <ul style="list-style-type: none"> • <i>This applies to equity securities – not just ordinary securities</i> • <i>Include here – if applicable – the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>Do not include equity securities issued under rule 7.1 (they must be dealt with in Part 1), or for which specific security holder approval has been obtained</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	6,493,505 – placement shares issued on 8 November 2019
“E”	6,493,505

+ See chapter 19 for defined terms.

Step 4: Subtract “E” from [“A” x “D”] to calculate remaining placement capacity under rule 7.1A	
“A” x 0.10 <i>Note: number must be same as shown in Step 2</i>	9,726,085
Subtract “E” <i>Note: number must be same as shown in Step 3</i>	6,493,506
Total [“A” x 0.10] – “E”	3,232,580 <i>Note: this is the remaining placement capacity under rule 7.1A</i>

+ See chapter 19 for defined terms.

Appendix 3B – Annexure 2

Summary of Unlisted Option Terms

1. The **Series B Options** have an exercise price of 40 cents and an expiry date of 31 December 2020.
2. The **Series D Options** have an exercise price of 40 cents and an expiry date of 31 December 2019.
3. The **Series G Options** have an exercise price of 75 cents and an expiry date of 30 June 2020.
4. The **Series H Options** have an exercise price of 70 cents and an expiry date of 31 December 2019.
5. The **Series J Options** have an exercise price of 95 cents and an expiry date of 31 December 2020.
6. The **Series K Options** have an exercise price of 120 cents and an expiry date of 31 December 2021.
7. The **Series L Options** have an exercise price of 50 cents and an expiry date of 30 June 2022.
8. The **Series M Options** have an exercise price of 70 cents and an expiry date of 30 June 2023.
9. The **Series N Options** have an exercise price of 90 cents and an expiry date of 30 June 2024.

+ See chapter 19 for defined terms.