

CDP SCHEDULE DELAY

PERTH, AUSTRALIA; 21 JULY 2022: Hazer Group (ASX: HZR) has previously advised the completion of construction and cold commissioning of the Hazer Commercial Demonstration Project, located at Woodman Point, WA.

Since completion of construction and commissioning by Primero, operations at the plant have been handed over to the Hazer Operations team and our Operations & Maintenance Contractor, Valmec. The team has commenced working on the cold operations testing phase, which will be progressed over the next 3 - 6 months.

Following completion of the cold operations program, the CDP will transition to hot operating mode in preparation for hydrogen and graphite production. The transition to hot operations has two primary requirements; (i) the completion of the manufacture of the Hazer hot-wall reactor, currently being undertaken in China, and (ii) the completion and installation of the high-temperature heat exchanger and associated high-temperature piping to cool the process materials after exiting the reactor before separation of the hydrogen and graphite materials.

Construction of the hot-wall reactor vessel materials is near completion at the mill in China, and delivery of the vessel materials to Australia for final fabrication and finishing is expected to occur in the third quarter of this year. This schedule remains subject to some uncertainty due to the current congested shipping and freight situation around the Shanghai area.

The high-temperature heat-exchanger is being fabricated in Australia. This was scheduled for completion in July; however, the heat-exchanger vessel suffered a critical failure during the heat-treatment process.

The fabricator's representatives have attended the site to assess the situation and collect data to evaluate the cause of the failure and are working to determine a rectification plan and options to complete the manufacture of the heat exchanger. The heat-exchanger is required for the second phase of the CDP testing program when the hot reactor is installed. While the exact schedule impact is not yet known, the failure of the heat-exchanger is expected to defer the production of hydrogen and graphite from the current target of the end of 2022 to sometime in 2023.

Hazer will investigate remedies available under the relevant contract terms and our insurances and any methods available to mitigate these impacts and update shareholders on any revisions to the schedule or budget as soon as possible.

Geoff Ward, Chief Executive Officer of Hazer Group, said, "It is very disappointing that we have suffered this failure of the high-temperature heat-exchanger during manufacturing, and this matter will be investigated thoroughly. We will continue to progress our planned cold-operations testing phase and the completion of the fabrication of the hot-wall reactor while we work through the investigation of this incident and advise shareholders of any changes in our future plans as soon as practical."

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

[ENDS]

Forward Looking Statements

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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 futures 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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