

RENERGEN LIMITED

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(“**Renergen**” or “**the Company**”)



INCLINED WELL DRILLING UPDATE

Emerging domestic natural gas and helium producer Renergen is pleased to update shareholders on the upcoming programme of inclined wells targeting the gas productive fracture systems in the Virginia Gas Project production hub.

The Company announced on 13 May 2020 that Bohrmeister Technik Proprietary Limited (“Bohrmeister”) had been awarded the drilling contract, and that mobilisation would take place within 6 weeks. As of 2 July, Bohrmeister was given access to the drill site, with the collar location and drilling parameters (azimuth and inclination) of the first drilling site having been finalised, based on the fracture distribution as interpreted from the extensive geological database available to the Company from the long history of exploration (mostly for precious metals) in the area. The preparation of the drill pad, delivery of equipment, and the applications to secure all regulatory approvals, are all progressing, albeit more slowly than would be the case were it not for restrictions related to the COVID-19 pandemic. On current projections the first well is expected to spud late in July and reach the primary target at the base of the Karoo sequence / top Wits formation late in August.

As this is the Company’s first inclined well in the Virginia Gas Project, the Company is taking all steps to maximise the probability of success. As has been previously explained, the faults and fissures in the target area are mostly sub-vertical, and drilling inclined wells will maximise the probability of intersecting these faults and fissures as targeted at or below the base of Karoo / top Wits interface; the drilling challenge is to maintain the wellbore inclination to achieve this outcome.

“Currently we are more focused on a successful well over a fast well. If we get the first well right, we expect to have an easy to read roadmap for future drilling at Virginia and can get to work on quickly ramping up towards production. As management we are confident of the methane and helium, but utilising the available technology to access it in the most cost-effective manner possible is our key motivation at present,” said Stefano Marani, CEO.

Periodic updates will be released as the drilling programme progresses.

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