

RENERGEN LIMITED

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(“**Renergen**” or “**the Company**”)



US\$500 MILLION DEBT RETAINER LETTER SIGNED FOR PHASE 2 OPERATIONS AT VIRGINIA GAS PROJECT

Renergen is pleased to announce it has signed a Retainer Letter with the US International Development Finance Corporation (“DFC”), to evaluate making a loan of up to US\$500 million to finance the development of Phase 2 of helium and natural gas operations at the Virginia Gas Project (“Virginia”).

DFC, which provided US\$40 million for Phase 1 of operations, has conducted a preliminary screening of the proposal for Phase 2 financing. Renergen and DFC will now commence further analysis on the project, including potential on-site diligence following commissioning of the Phase 1 plant.

In addition to the DFC, Renergen has also received multiple Letters of Intent (“LOI”) to co-lend alongside the DFC for Phase 2 operations from additional lenders, with a cumulative value of over US\$700 million in senior debt, which will exceed the remaining debt requirement.



Figure 1: Aerial view of the current Phase 1

The lenders are currently in the process of reviewing all materials in the data room and will be conducting an onsite inspection of Phase 1 operations, as part of the due diligence for the debt funding of Phase 2.



Figure 2: Front view of the gas pre-treatment and LNG cold boxes

“We find ourselves in a very strong position as we embark on turning on the Virginia Gas Project plant in the coming weeks. The Company has grown significantly in size and scale and importantly, now has the ability to sculpt terms to suit our financing requirement. We are in the process of optimising Phase 2 operations as part of the ongoing due diligence process and are aiming to achieve a target of up to 65% debt funding, the balance equity, on the Phase 2 project capital amount. The debt amount available to the Company will significantly reduce the amount of equity needed while ensuring sufficient head room to meet financial covenants,” said Stefano Marani, CEO.

Johannesburg
6 June 2022

Authorised by: Stefano Marani
Chief Executive Officer

Designated Advisor
PSG Capital



For Australian Investors & Media, contact Citadel-MAGNUS - Cameron Gilenko, 0466 984 953

This announcement contains images which can be found in the PDF version on www.renergen.co.za