RENERGEN LIMITED
Incorporated in the Republic of South Africa
(Registration number: 2014/195093/06)
JSE Share code: REN
A2X Share code: REN
ISIN: ZAE000202610
LEI: 378900B1512179F35A69
Australian Business Number (ABN): 93 998 352 675
ASX Share code: RLT
("**Renergen**" or "**the Company**")

RENERGEN QUARTERLY UPDATE

The quarter marked a busy period with significant progress on several fronts:

- The Phase 1 plant is now producing liquefied natural gas (LNG);
- The Central Energy Fund has successfully completed due diligence on the proposed acquisition of 10% of Tetra4 Proprietary Limited;
- Two additional wells, Han (drilled during the quarter) and Don Vito, are being completed as gas producers; and
- Aeromagnetic and gravity surveys have been completed and are currently being interpreted. In parallel, existing seismic data are being re-processed to improve the imaging of potential gas-bearing structures. To date, significantly more targets than anticipated have been identified.

Production Status

The Virginia Gas Project commenced production of the country's first commercial LNG on 5 September 2022, and from 19 September 2022 the plant began operating 24-hour shifts.

Image 1: Virginia Gas Plant

Production has commenced at around 1,000 GJ per day, which will be stepped up to around 1,400 GJ in the next month. From there it will be ramped up to a steady rate of 2,500 GJ (roughly 50 tons) per day by first quarter next year.

The helium module is the next part of the plant to be fully commissioned, with ongoing testing of the critical components in the helium liquefier. Thus far there have been no mechanical faults identified during the tests, so the team is looking forward to completing the tests in due course and commencing helium production.

During the quarter under review, ended 31 August 2022, there were no substantive production activities.

Central Energy Fund Deal

The Central Energy Fund and Renergen signed a non-binding term sheet for the investment of ZAR 1 billion into the Virginia Gas Project in return for a 10% stake in Tetra4 Proprietary Limited at financial close, anticipated in 2023. The transaction was subject to completion of a due diligence, finalisation of agreements and approval by respective stakeholders. On 10 September 2022 the due diligence was successfully completed, indicating the transaction should proceed subject only to approval of respective stakeholders and completion of the final agreements. The process is progressing well, and the parties are actively involved in bringing this transaction to conclusion by the anticipated financial close date.

Two New Production Wells

Han was drilled to a measured depth of 624 metres, striking gas of approximately 80,000 standard cubic feet (scf) per day. Drilling has been halted in order to log the well to delineate the gas bearing features in the well. The well has cost ZAR 2.73 million thus far and has an anticipated completion budget of ZAR 3.8 million.

The Don Vito well, drilled in June 2021 as a vertical pilot hole to log and determine the depth to the base of the Karoo (in order to plan the trajectories of wells R2D2 and C3PO), was examined during the quarter and commenced flowing gas. This commencement of gas production is interpreted as indicating that with the passage of time the well has cleaned up naturally; the well is now producing approximately 75,000 scf per day. Given the hole was a pilot hole, it was not anticipated to produce gas, and so is now being completed for production before being connected to the pipeline. The cost to drill the pilot hole was ZAR 1.41 million and completion of the well is anticipated to cost an additional ZAR 1.7 million.

Surveys Underway

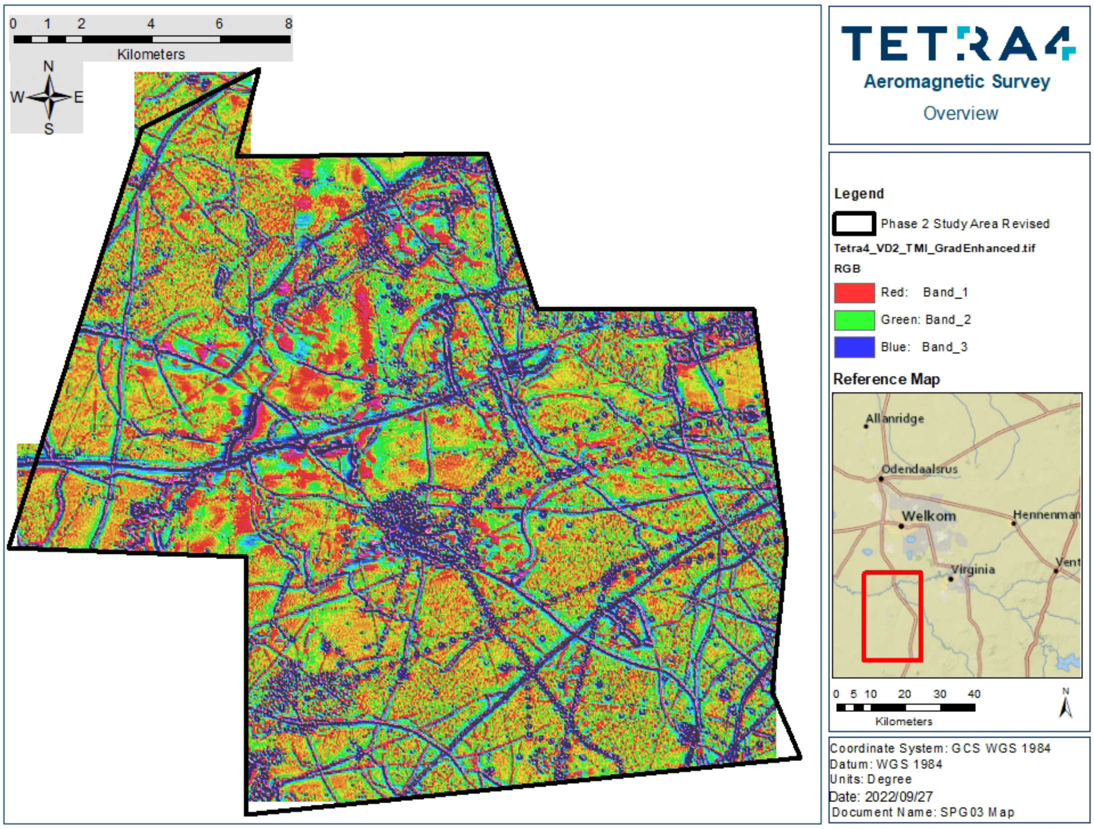


Image 2: Aeromagnetic Survey of the Phase 2 Area

Gravity and aeromagnetic surveys were undertaken earlier in September 2022 and the data are now being interpreted in order to improve the resolution of the geological model and optimise drillhole location accuracy. These surveys, together with seismic data reprocessed during the quarter, are showing increased prevalence of prospective sub-surface structures which if gas-bearing will have the potential to materially increase gas production capacity. The cost of the surveys amounted to ZAR 5.4 million. "Further work is still required before any of these data will be useable in the field, but this is a welcome surprise and could be quite a positive outcome for us from a geological perspective," said Stefano Marani, CEO.

Licenses and Other Matters

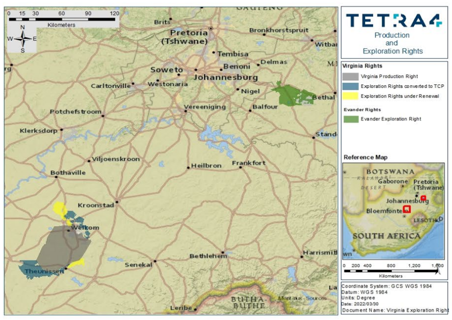
There has been no change to the Company's licence holdings.

Table 1: Exploration Right (ER) Licenses

Project	Location	License	Beneficial Interest
Virginia 2	Free State	033 ER	100%
Virginia 7	Free State	094 ER	100%
Evander 2	Mpumalanga	031 ER	100%

Table 2: Technical Cooperation Permit (TCP) Licenses

Project	Location	License	Beneficial Interest
Virginia 1	Free State	222 TCP	100%
Virginia 3	Free State	223 TCP	100%
Virginia 5	Free State	224 TCP	100%



Johannesburg
30 September 2022

Authorised by: Stefano Marani
Chief Executive Officer

Designated Advisor
PSG Capital

For Australian Investors & Media, contact Citadel-MAGNUS

Cameron Gilenko, 0466 984 953

To readers reviewing this announcement on the Stock Exchange News Service (SENS), this announcement may contain graphics and/or images which can be found in the PDF version posted on the Company's website.

www.renergen.co.za

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

RENERGEN LIMITED

ABN	Quarter ended ("current quarter")
93998352675	31 August 2022

Consolidated statement of cash flows		Current quarter ZAR'000	Year to date (6 months) ZAR'000
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	734	1 537
1.2	Payments for		
	(a) exploration & evaluation	(483)	(496)
	(b) development	-	-
	(c) production	(314)	(507)
	(d) staff costs	(1 990)	(3 800)
	(e) administration and corporate costs	(9 597)	(19 274)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	(21)	1 013
1.5	Interest and other costs of finance paid	(64)	(138)
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other – Quarter: comprised mainly of working capital changes (R31.2m), movement of restricted cash (-R9.7m) and other (R1.6m).	23 076	(15 180)
1.9	**Net cash from / (used in) operating activities**	**11 341**	**(36 845)**

2.	**Cash flows from investing activities**		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	(141 620)	(226 322)
	(d) exploration & evaluation	(23 513)	(38 108)
	(e) investments	-	-
	(f) other non-current assets – other intangible assets	-	(11 713)

Consolidated statement of cash flows		Current quarter ZAR'000	Year to date (6 months) ZAR'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	**Net cash used in investing activities**	**(165 133)**	**(276 143)**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	130 511	332 869
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	17 876	17 876
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(1 367)	(1 367)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	(26 902)	(36 160)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other – lease payments	(643)	(1 419)
3.10	**Net cash from financing activities**	**119 475**	**311 799**

4.	**Net increase/(decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	127 943	95 088
4.2	Net cash from / (used in) operating activities (item 1.9 above)	11 341	(36 845)
4.3	Net cash used in investing activities (item 2.6 above)	(165 133)	(276 143)
4.4	Net cash from financing activities (item 3.10 above)	119 475	311 799

Consolidated statement of cash flows		Current quarter ZAR'000	Year to date (6 months) ZAR'000
4.5	Effect of movement in exchange rates on cash held	4 633	4 360
4.6	**Cash and cash equivalents at end of period**	**98 259**	**98 259**

5.	**Reconciliation of cash and cash equivalents** at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	**Current quarter ZAR'000**	**Year to date (6 months) ZAR'000**
5.1	Bank balances	13 436	13 436
5.2	Call deposits	84 823	84 823
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	**Cash and cash equivalents at end of quarter (should equal item 4.6 above)**	**98 259**	**98 259**

6.	**Payments to related parties of the entity and their associates**	**Current quarter ZAR'000**
6.1	Aggregate amount of payments to related parties and their associates included in item 1	1 414
6.2	Aggregate amount of payments to related parties and their associates included in item 2	7 424

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

The amounts disclosed under 6.1 and 6.2 relate to remuneration paid to directors and prescribed officers.

7.	**Financing facilities** *Note: the term "facility' includes all forms of financing arrangements available to the entity.* *Add notes as necessary for an understanding of the sources of finance available to the entity.*	**Total facility amount at quarter end ZAR'000**	**Amount drawn at quarter end ZAR'000**
7.1	Loan facilities	878 790	878 790
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	**Total financing facilities**	**878 790**	**878 790**

7.5	**Unused financing facilities available at quarter end**	**-**

7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.

The foreign currency (USD) denominated loan included in the amount disclosed above was translated at a rate of R16.8956/US$ on 31 August 2022.

DFC Loan

Tetra4 entered into a US$40.0 million finance agreement with the US International Development Finance Corporation ("DFC") on 20 August 2019 ("Facility Agreement"). The first draw down of US$20.0 million took place in September 2019, the second draw down of US$12.5 million in June 2020 and the final drawdown of US$7.5 million on 28 September 2021. Tetra4 shall repay the loan in equal quarterly instalments of US$1.1 million (R18.6 million using the rate at 31 August 2022) on each payment date beginning on 1 August 2022 and ending on 15 August 2031. The loan is secured by a pledge of the Group's assets under construction, land and the Debt Service Reserve Account.

The first drawdown of $20.0 million attracts interest of 2.11% per annum. Interest on the second and final drawdowns is 1.49% and 1.24% per annum, respectively. Interest is payable by Tetra4 to the DFC quarterly on 15 February, 15 May, 15 August and 15 November of each year ("Repayment Dates") for the duration of the loan. This interest is capitalised to assets under construction within property, plant and equipment in line with the Group policy. Interest paid during the quarter totalled US$0.2 million (R3.4 million).

A guaranty fee of 4% per annum is payable by Tetra4 to DFC on any outstanding loan balance. The guaranty fee is payable quarterly on the Repayment Dates. Tetra4 paid guaranty fees totalling US$0.4 million (R6.7 million) during the quarter.

A commitment fee of 0.5% per annum was payable by Tetra4 to the DFC on any undisbursed amounts under the Facility Agreement. Commitment fees were payable quarterly on the Repayment Dates. Tetra4 did not pay any commitment fees during the quarter as there were no undrawn amounts during the period.

An annual maintenance fee of US$0.04 million is payable by Tetra4 to the DFC for the duration of the loan term and is payable on 15 November of each year, commencing on 15 November 2020. The maintenance fee covers administrative costs relating to the loan.

The DFC loan outstanding at 31 August 2022 amounted to US$38.9 million (R657.6 million).

IDC loan

Tetra4 entered into a R160.7 million loan agreement with the IDC on 17 December 2021. An amount of R158.8 million was drawn down on 22 December 2021 and is repayable in 102 equal monthly payments commencing in July 2023. The loan terms include a 12-month interest capitalisation and an 18-month capital repayment moratorium. The loan accrues interest at the prime lending rate plus 3.5% and is secured by a pledge of the Group's assets under construction and land. The IDC loan outstanding at 31 August 2022 amounted to R172.0 million.

Molopo loan

Tetra4 entered into a R50.0 million loan agreement with Molopo on 1 May 2013. This loan was part of the conditions of the sale of shares in Tetra4 from Molopo to Windfall Energy Proprietary Limited. The loan agreement is for the period from inception of the loan on 1 May 2013 until 31 December 2022. During this period, the loan is unsecured and interest free. The loan can only be repaid when Tetra4 declares a dividend and utilising a maximum of 36% of the distributable profits in order to pay the dividend. If by 31 December 2022 the loan is not repaid, the loan shall bear interest at the prime lending rate plus 2% and will have no repayment terms. It is not expected that the loan will be repaid in the next 12 months given the unavailability of distributable profits. As such, the loan has been classified as long term. The loan advanced to Tetra4 by Renergen can only be repaid after the loan from Molopo has been settled.

The loan is discounted to present value for the period that it is interest free, at a discount rate which is equal to the prime lending rate plus 2.00% which at 31 August 2022 is 10.25% (prime lending rate of 8.25% plus 2.00%). The imputed interest expense is included in profit and loss. The fair value of the loan amount outstanding at 31 August amounts to R49.2 million.

Debt covenants

The following debt covenants apply to the DFC loan:

a) Tetra4 is required to maintain at all times i) a ratio of all interest bearing Debt to EBITDA of not more than 3.0 to 1; (ii) a ratio of Current Assets to Current Liabilities of not less than 1 to 1; and (iii) a Reserve Tail Ratio of not less than 25%.

(b) Tetra4 is required to maintain at all times (i) a ratio of Cash Flow for the most recently completed four (4) consecutive full fiscal quarters, taken as a single accounting period, to Debt Service for the most recently completed four (4) consecutive full fiscal quarters, taken as a single accounting period, of not less than 1.30 to 1; and (ii) a ratio of Cash Flow for the most recently completed four (4) consecutive full fiscal quarters, taken as a single accounting period, to Debt Service for the next succeeding four (4) consecutive full fiscal quarters of not less than 1.3 to 1.

(c) Tetra4 is required to ensure that the Debt Service Reserve Account is funded in the aggregate of all amounts due to the DFC within the next 6 months.

The covenants in a) and b) will apply 18 months after the completion of the construction of the Virginia Gas Plant. The Group has complied with the covenant under c) above for the quarter and believes that it will be able to comply with the covenants throughout the tenure of the loan.

"Reserve Tail Ratio" means for any calculation date, the quotient obtained by dividing (a) all of the Borrower's remaining Proved Reserves as of such calculation date by (b) all of the Borrower's Proved Reserves as of the date of this Agreement.

The following debt covenants apply to the IDC loan.

a) Tetra4 is required to maintain the same financial and reserve tail ratios as mentioned under the DFC loan.

b) In addition, Tetra4 shall not make any shareholder dividend distribution, repay any shareholders' loans and/or pay any interest on shareholders' loans or make any payments whatsoever to its shareholders without the IDC's prior written consent, if:
- Tetra4 is in breach of any term of the loan agreement; or
- the making of such payment would result in a breach of any one or more of the financial ratios above.

The covenants in a) will apply from 1 August 2023. The Group has complied with the covenant under b) above for the quarter and believes that it will be able to comply with the covenants throughout the tenure of the loan.

8.	**Estimated cash available for future operating activities**	**ZAR'000**
8.1	Net cash generated from operating activities (item 1.9)	11 341
8.2	Payments for exploration and evaluation classified as investing activities) (item 2.1(d))	(23 513)
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(12 172)
8.4	Cash and cash equivalents at quarter end (item 4.6)	98 259
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	98 259
8.7	**Estimated quarters of funding available (item 8.6 divided by item 8.3)**	**8.07**

Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.

8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:

8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer: Not applicable

8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer: Not applicable

8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: Not applicable

Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.

Compliance statement

1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.

2 This statement gives a true and fair view of the matters disclosed.

Date: **30 September 2022**

Authorised by: **By the Board**
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [*name of board committee – eg Audit and Risk Committee*]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.