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

Highlights from the quarter include:

- US DFC approved US$ 500 million loan for Phase 2 at both the credit committee and board committee;
- US DFC Congressional notification process is now complete, and only standard project finance conditions precedent, similar to those of Phase 1, remain outstanding;
- Standard Bank credit committee approved US$ 250 million loan for Phase 2;
- LNG offtake agreement secured with Timelink Cargo for Phase 1 offtake with supply anticipated to commence in Q4 FY24
- LNG production increased 12.8% relative to the previous quarter, amounting to 823 tons;
- Helium cold box commissioning complete, identifying a leak in vacuum circuit which is now under repair; and
- New well Morpheus drilled, producing 3.2% helium and flow of 70,000 standard cubic feet per day.

Phase 2 Debt Funding

Early this quarter we announced that following several months of due diligence on site studying the Phase 1 construction, geological and market conditions for helium and LNG with the lenders, Tetra4's Phase 2 of the Virginia Gas Project went through the respective credit and board committees which resulted in positive approvals to proceed with the cumulative loans of US$ 750 million. The final step in this process was for the US DFC to present the transaction to Congress, and following the stipulated notification period with no objections, the loans are now approved and subject to typical project finance conditions precedent which are not substantially different to the Phase 1 US DFC loan's conditions precedent. This is a major step forward in de-risking Phase 2.

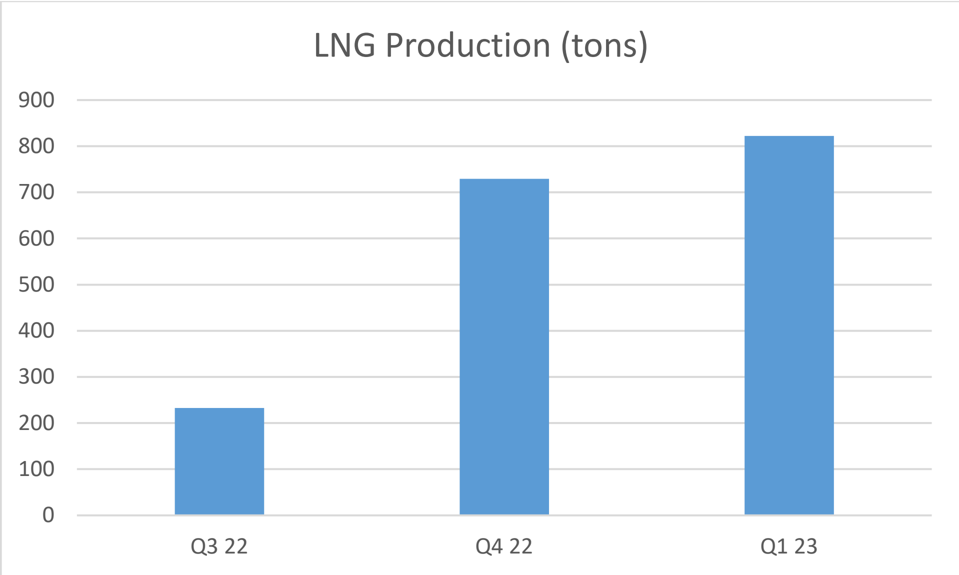
LNG Offtake Agreement

Early this quarter we announced that we had secured an additional contract for the supply of LNG to a logistics operator Timelink Cargo. Timelink will convert a significant portion of their trucking fleet to run on LNG. This is a fantastic step forward and aligns with our vision of assisting in the decarbonisation of the logistics sector within South Africa. The agreement will see Timelink invest in the dual fuel conversion kits and Tetra invest in the associated LNG dispensing equipment required for installation within Timelink's Johannesburg depot.

Project and Operations report

Production operations

Following the successful performance testing of the LNG train, the team is now significantly more familiar with the operations of the LNG system and have improved production by a further 12.8% relative to the previous quarter, producing 823 tons. We expect this trend to continue over time until the plant reaches full capacity early next calendar year.



Helium Cold Box

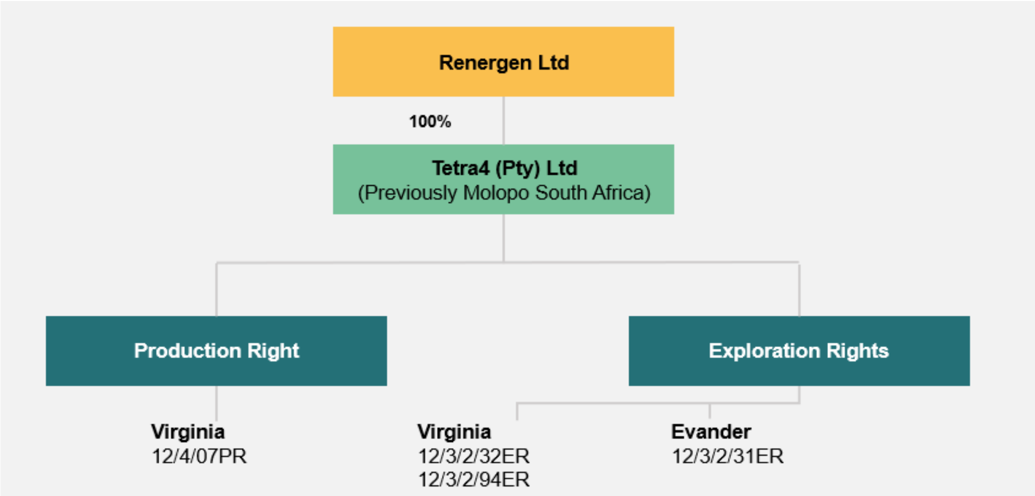
Whilst preparing for helium performance testing for the purposes of achieving a taking over certificate., we identified a defect reducing efficiency of the liquefaction process of the helium. The helium cold box operates in a vacuum to optimise the insulation of the cold box. During liquefaction the vacuum chamber showed signs of losing its vacuum. Upon inspection the team has located the circuit containing the leak and the OEM has commenced with planning and preparation for repairing of the leak. The repair will be done off-site in order to ensure maximum safety of the helium cold box and avoid any contamination of equipment from the elements. Given the nature of repair we envisage to recommence the performance testing of the helium system in October 2023.

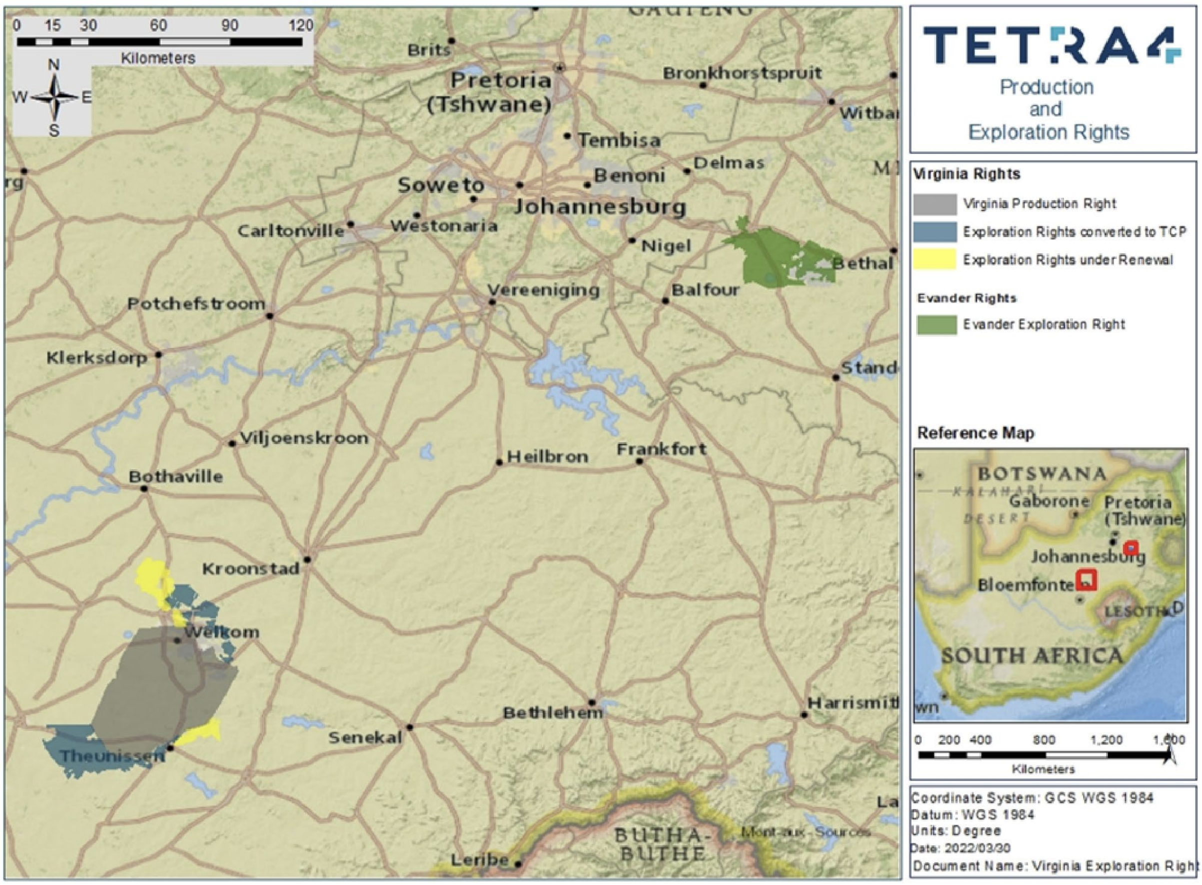
Stakeholders, including our helium customer, are fully aware of the situation and fully aligned with the decision to affect the repair prior to commencing commercial deliveries to our customer, as this presents the lowest risk strategy both for the plant and our shareholders. The Virginia Gas Project's Phase 2 development is not impacted by this process.

Morpheus

We drilled a twin of a historic blower in the southern part of the Phase 1 wells footprints and the new well which is flowing at 70,000 standard cubic feet per day, with helium at a concentration of 3.2%. This new well has highlighted some important characteristics on the migration path of the gas in this portion of the field, and further down hole studies will be done in order to map the geology in this section of the field to bolster our underground geological model. The drilling of the well has cost ZAR1.8 million to date.

Licenses and Other Matters





We have allowed all our Technical Cooperation Permits (TCP) to lapse as we have determined them to be of little to no value. The TCPs are identifiable in the diagram above, coloured in blue.

Johannesburg
26 June 2023

Authorised by: Stefano Marani
Chief Executive Officer

Designated Advisor
PSG Capital

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 May 2023

	Consolidated statement of cash flows	Current quarter ZAR'000	Year to date (3 months) ZAR'000
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	14 188	14 188
1.2	Payments for		
	(a) exploration & evaluation	(12)	(12)
	(b) development	-	-
	(c) production	(3 685)	(3 685)
	(d) staff costs	(4 170)	(4 170)
	(e) administration and corporate costs	(19 665)	(19 665)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	742	742
1.5	Interest and other costs of finance paid	(72)	(72)
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other (provide details if material) – - Restricted cash	10 682	10 682
1.9	**Net cash used in operating activities**	**(1 992)**	**(1 992)**

2.	**Cash flows from investing activities**		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	(33 019)	(33 019)
	(d) exploration & evaluation	(2 020)	(2 020)
	(e) investments	-	-
	(f) other non-current assets – other intangible assets	(2 141)	(2 141)

Consolidated statement of cash flows		Current quarter ZAR'000	Year to date (3 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**	**(37 180)**	**(37 180)**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	18 172	18 172
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	15 000	15 000
3.6	Repayment of borrowings	(37 362)	(37 362)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other – lease payments	(321)	(321)
3.10	**Net cash from financing activities**	**(4 511)**	**(4 511)**

4.	**Net increase/(decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	55 704	55 704
4.2	Net cash used in operating activities (item 1.9 above)	(1 992)	(1 992)
4.3	Net cash used in investing activities (item 2.6 above)	(37 180)	(37 180)
4.4	Net cash from financing activities (item 3.10 above)	(4 511)	(4 511)
4.5	Effect of movement in exchange rates on cash held	3 568	3 568
4.6	**Cash and cash equivalents at end of period**	**15 589**	**15 589**

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 (3 months) ZAR'000**
5.1	Bank balances	9 245	9 245
5.2	Call deposits	6 344	6 344
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)**	**15 589**	**15 589**

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	655
6.2	Aggregate amount of payments to related parties and their associates included in item 2	3 270

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	953 741	953 741
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	**Total financing facilities**	**953 741**	**953 741**

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 (US$) denominated loan included in the amount disclosed above was translated at a rate of R19.7383/US$1 on 31 May 2023.

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 (R21.7 million using the rate at 31 May 2023) on each payment date beginning on 1 August 2022 and ending on 15 August 2031. The loan is secured by a pledge of Tetra4’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$0.16 million (R3.1 million).

A guarantee fee of 4% per annum is payable by Tetra4 to the DFC on any outstanding loan balance. The guarantee fee is payable quarterly on the Repayment Dates. Tetra4 paid guarantee fees totalling US$0.37 million (R7.0 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. Tetra4 did not pay maintenance fees during the quarter.

The DFC loan outstanding at 31 May 2023 amounted to US$35.1 million (R704.1 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 Tetra4's assets under construction, land and the Debt Service Reserve Account. The IDC loan outstanding at 31 May 2023 amounted to R181.8 million and interest capitalised to assets under construction within property, plant and equipment in line with the Group policy amounted to R6.7 million for the quarter.

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 original loan term was for the period from inception of the loan on 1 May 2013 until 31 December 2022. During this period, the loan was unsecured and interest free.

As the loan was not repaid on 31 December 2022, it now accrues interest at the prime lending rate plus 2%. The loan is still unsecured and does not have repayment terms. 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. It is not expected that the loan will be repaid in the next 12 months given the unavailability of distributable profits based on Tetra4's most recent forecasts. 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.

Interest included in profit and loss amounted to R1.7 million. The loan amount outstanding at 31 May 2023 amounts to R52.8 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. Tetra4 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, and Debt Service Reserve Account 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. Tetra4 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. Tetra4 also maintains a Debt Service Reserve Account with respect to the IDC loan.

8.	Estimated cash available for future operating activities	ZAR'000
8.1	Net cash generated from operating activities (item 1.9)	(1 992)
8.2	Payments for exploration and evaluation classified as investing activities) (item 2.1(d))	(2 020)
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(4 012)
8.4	Cash and cash equivalents at quarter end (item 4.6)	15 589
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	15 589
8.7	**Estimated quarters of funding available (item 8.6 divided by item 8.3)**	**3.89**

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:

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:

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:	

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 June 2023**

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.