

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 TO FACILITATE FIRST HELIUM SPOT MARKET WITH POTENTIAL PRE-SALE OF 100,000 MCF IN 19 YEAR AGREEMENT

Domestic natural gas and helium producer Renergen is pleased to announce the completion of a helium forward sale agreement for an amount of 100,000 units over a period of 19 years, with each unit representing a thousand standard cubic feet ("mcf") of helium at 99.999% purity and in liquid form to Argonon Helium US Inc ("Argonon"), a Delaware incorporated helium trading company. Argonon will take possession of the units once they are paid for and for which Argonon is under no obligation to purchase. Argonon will use these units for the purpose of establishment of a spot market for helium. As a frame of reference, 1 unit weighs 4.7kg and comprises 37.5 litres when in liquid form.

Transaction Highlights

- **Potential prefunded helium sales from Phase 2 plant of up to c. US\$25M in a 19 year agreement;**
- **The arrangement is intended to facilitate the creation of a liquid spot market for helium, accessible to all investors through the Argonon platform (for further information, please visit the Argonon website (<https://argonon-he.com>));**
- **A portion of funds from pre-sale, should they be made, will be used to accelerate Phase II drilling at Virginia Gas Project, without need for equity issue;**
- **The contract represents significantly less than 0.1% of global helium consumption over contract term;**
- **Intended to establish a mechanism for Renergen to sell helium to Argonon in the spot market when Phase II plant becomes operational; and**
- **Purple Group Limited of South Africa has been appointed to create the digital platform to track and manage the units as they are exchanged and traded.**

Argonon, a Limited Liability Company formed under the laws of the State of Delaware, was founded in March 2021 by Richard Charrington, who started his career in 1980 as a commodity trader in London focusing on soft commodities from South-East Asia. Since this time, Mr Charrington has been involved in commodities and structured finance as a UK Security and Futures (SFA) accredited specialist. Mr Charrington owns Griffon Solutions Limited, a Mauritian regulated Corporate Services and Management company, that oversees US\$1B in assets. Argonon was established by Mr Charrington to specifically to procure helium from Renergen and to create a tradeable market in the commodity (www.argonon-he.com), following several months of collaboration between the two parties, and Renergen gained considerable comfort in the process on Mr Charrington and his capabilities.

The forward sale agreement will give Argonon access to 100,000 units of helium at the following prices, based on the timing of pre-payment for the contracts:

- US\$ 230 per unit for helium paid for before 29 October 2021;
- US\$ 245 per unit for helium paid for before 30 November 2021;
- US\$ 270 per unit for helium paid for thereafter until 100,000 units have been purchased,

Following the forward sale of the first 100,000 units of helium, it is intended that any future sales between Renergen and Argonon will be priced according to the spot market of helium, less Argonon's trading margin and will be available to Argonon until the expiry of the Virginia Gas Project's license in September 2042.

The global helium market, which is currently undersupplied, consumes around 6,000,000 units per annum, according to the estimates by Edison Group and Hannam and Partners (see www.argonon-he.com), with an anticipated consumption of over 126,000,000 units by the time the Virginia Gas Project's license expires, assuming no growth in demand.

At present, the helium market is constrained for reasons which include plant outages, disrupted shipping routes and reduced upstream production of helium.

The market is likely to experience some short term easing with Qatar and Russia bringing additional capacity online, however, given the increasing focus on decreasing fossil fuel production, lower concentration helium fields are likely to come under pressure, since more associated methane is produced to extract the same volume of helium, placing additional constraint on future helium supplies. Unlike other more transparent commodities, helium is not presently traded in the spot market and a visible price per mcf is not available. The collaboration between Renergen and Argonon is specifically designed to bring transparency of pricing into the helium market and highlight the growing global importance of helium.

Richard Charrington, CEO of Argonon, said, "Whilst 100,000 units is less than 0.1% of the global helium market over the term of our contract, we believe this transaction is a ground-breaking step in bringing helium to the financial markets and will pave the way for its inclusion into more mainstream commodities. Like with so many other commodities, it will start small and is likely to be traded by those who have researched it and understand the future potential with emerging technologies such as quantum computing and in time, may become much more mainstream in similar way lithium did several years ago."

"We see a future where the use of block-chain to manage assets at low cost and in a transparent way becomes mainstream. This is what we do at EasyCrypto and it was a no-brainer when our long-time friends at Renergen asked us to get involved. Applying it to a resource base we believe is a very innovative approach and look forward to this journey," said Charles Savage, CEO of Purple Group Limited.

Stefano Marani, CEO of Renergen said "Argonon has developed an innovative product which will provide an accessible platform and market for any interested helium investor to gain direct exposure in the underlying commodity and marks its entry into a tradeable commodity.

"Helium is a rare element without substitutes and the importance and critical role it plays across several high growth sectors including medical imagery (MRIs), welding, fibre optics and electronics is leading to a growing global shortfall of helium supply, and rising prices. Through the development of its world-class, high-grade, Virginia Gas Project, Renergen is in a strong position to supply this growing market and continue to create long-term value for all our stakeholders."

The Agreement is subject to the Parties having received any Approval or consent (either unconditionally, or subject to terms and conditions that are reasonably acceptable to the Parties) if and to the extent required under any applicable Law to implement the transactions contemplated in the Agreement. Termination events of the agreement are based on standard provisions which include only force majeure, breach or failure to perform.

Johannesburg
18 October 2021

Authorised by: Stefano Marani
Chief Executive Officer

Designated Advisor
PSG Capital



PSG CAPITAL

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