

HAZER & AP VENTURES EXECUTE BINDING CONVERTIBLE NOTE AND OPTION DEED

PERTH, AUSTRALIA; 30 NOVEMBER 2020: Further to the announcement made by Hazer Group Limited (ASX: HZR) (**Hazer**) on 12 October 2020, Hazer is pleased to advise that it has executed a binding convertible note and option deed with AP Ventures Fund II GP LLP (**APV**) for an investment by APV in Hazer (**Convertible Note Deed**).

AP Ventures is a leading global venture capital fund focussed on investment in the hydrogen sector, with their investments supporting their portfolio companies through the commercialisation and scale up phases.

Under the terms of the Convertible Note Deed, subject to receipt of necessary approvals (including FIRB), APV will make a \$4 million investment in Hazer and acquire 4 million unlisted \$1 convertible notes (**Notes**) and 2.25 million unlisted options (**Options**) in Hazer and will be entitled to nominate a representative to join the Hazer Board.

The key terms of the Notes are as follows:

Total number	4 million Notes
Issue price	\$1 per Note
Security	Unsecured
Interest	0%
Quotation	The Notes are unlisted.
Conditions precedent	(a) Hazer must obtain all required approvals under the ASX Listing Rules, the <i>Corporations Act 2001</i> (Cth) in respect of the proposed issue of notes and options; (b) APV must obtain any required approvals under the <i>Foreign Acquisitions and Takeovers Act 1975</i> (Cth). (c) The conditions precedent must be satisfied as soon as possible, and if the parties are unable to satisfy the conditions precedent by 31 December 2021, the agreement may be terminated.
Term of Notes	Five (5) years from the date of issue of the Notes
Voting rights of Notes	The Notes carry no voting rights prior to conversion.
Conversion security	Convertible into fully paid ordinary Hazer shares (Shares).
Conversion price	The higher of \$0.20 cents per Share and the 5-day volume weighted average price of Hazer Shares at the time of conversion
Notes Conversion period and rights	No more than \$1.33 million of the Notes may be converted in one notice and the Notes may not be converted in the first 12 months following issue.
Early redemption	Hazer will have the option to redeem the Notes prior to their maturity and if this occurs, APV may either (at its option) elect to convert or receive payment for those Notes. Where APV elects to receive payment for the redeemed Notes, an interest rate of 8% will be applied to those Notes accruing from the date of their issue and until repayment.
Repayment	In the event that APV has not elected to convert the Notes at the end of the term, Hazer must repay outstanding monies.
Board representative	APV can nominate a member to the Hazer board, if APV holds an interest in Hazer of the lower of: (a) \$2,000,000 worth of debt and Shares (with the value of Shares to be calculated based on a 3-calendar month VWAP); and (b) 3% of the issued Share capital in Hazer.

The Options will entitle APV to acquire 2.25 million ordinary Hazer shares for nominal consideration. The options will expire 5 years from the date of their issue and cannot be exercised in the first 12 months following issue of the Options.

Hazer is pleased to advise that all approvals required under the ASX Listing Rules and *Corporations Act (2001) Cth* have been received. A meeting of shareholders to provide shareholder approval for the notes to issued is proposed to be held in mid-January 2021. A Notice of Meeting for this meeting will be dispatched shortly.

Under a condition precedent of the Convertible Note Deed, APV must apply to the Federal Treasurer for a notice that there are no objections to the transaction contemplated by the Convertible Note Deed under the Australia Government's foreign investment policy or under the *Foreign Acquisitions and Takeovers Act 1975 (Cth)* (**FIRB Approval**). Hazer understands that APV will lodge an application for FIRB Approval shortly.

Hazer will provide a further update to the market once all necessary approvals have been obtained and the notes and options are issued.

Funds raised from the convertible note and option issue will be used by Hazer to progress the Hazer Commercial Demonstration Project, accelerate Hazer's research and development, including into novel purification techniques for Hazer graphite and support the Company's business development activities, including the scale-up studies for larger commercial scale Hazer Plants.

Tim Goldsmith, Chair of Hazer Group commented, "We are delighted to have completed this agreement with AP Ventures and look forward to welcoming them to our Board. We encourage all shareholders to support this transaction at the meeting of shareholders to be held in January, as we believe it is a very positive outcome for Hazer. AP Ventures will provide valuable support to the Board and management as we progress the scale-up and commercialisation of the Hazer technology."

Andrew Hinkly, Managing Partner of AP Ventures said "We are pleased that we are able to reach an agreement and would like to thank the Hazer team for their diligent effort over the last month in progressing with the investment. We are excited to be part of the journey as the company scales and commercializes its Hazer Process, a technology which we believe could offer a unique solution to the low-cost, low-emission production of hydrogen and graphite."

[ENDS]

Forward Looking Statements

This announcement may contain certain “forward looking statements” which may not have been based solely on historical facts, but rather are based on the Company’s current expectations about future events and results.

Where the Company expresses or implies an expectation or belief as to future events or results, such expectation or belief is expressed in good faith and believed to have a reasonable basis. However, forward looking statements are subject to risks, uncertainties, assumptions and other factors, which could cause actual results to differ materially to futures results expressed, projected or implied by such forward looking statements.

The Company does not undertake any obligation to release publicly any revisions to any “forward looking statements” to reflect events or circumstances after the date of this announcement, or to reflect the occurrence of unanticipated events, except as may be required under the applicable securities laws.

ABOUT HAZER GROUP LIMITED

Hazer Group Limited (“Hazer” or “the Company”) is an ASX-listed technology development company undertaking the commercialisation of the Hazer Process, a low-emission hydrogen and graphite production process. The Hazer Process enables the effective conversion of natural gas and similar methane feedstocks, into hydrogen and high-quality graphite, using iron ore as a process catalyst.

For further information or investor enquiries, please contact:

Geoff Ward

Email: contact@hazergroup.com.au

Phone: +61 8 9329 3358

For media enquiries, please contact:

WE Communications – Arthur Chan

Email: WE-AUHazer@we-worldwide.com

Phone: +61 404 369 388

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ABOUT AP VENTURES LLP

AP Ventures is headquartered in London and manages venture capital funds with a global mandate to invest in pioneering new technologies and businesses which aim to solve global challenges such as renewable energy integration, resource scarcity and rapidly changing demographics.

The existing portfolio is focused on the hydrogen value chain and includes investments in Alteryx Systems, ERGOSUP, Greyrock Energy, HyET, Hydrogenious Technologies, Plug Power, ZEG Power and Inspiorion. All these companies either utilise or enable the use of Platinum Group Metals (PGMs).

AP Ventures is led by Andrew Hinkly (Managing Partner) and Kevin Eggers (Partner). Investors include Anglo-American Platinum, the Mirai Creation Fund, Mitsubishi Corporation, Plastic Omnium, the Public Investment Corporation and Sumitomo Corporation.

More info: www.apventures.com