

DELAY TO REACTOR FABRICATION

PERTH, AUSTRALIA; 10 DECEMBER 2021: Hazer Group (ASX: HZR) regret to advise that there has been a delay to the completion of the fabrication of the reactor for the Hazer Commercial Demonstration Project (CDP). This is expected to delay the planned commissioning of the Hazer CDP, with commissioning now expected to occur after our current target date of 1Q 2022.

Hazer has been advised that a manufacturing flaw has been identified in the Hazer reactor vessel currently waiting for heat treatment in China. Quality assurance and non-destructive testing activities carried out over the last 48 hours have yesterday confirmed the presence of the manufacturing flaw and identified further areas of concern. As a result of the flaw identified, the reactor shell has been deemed unsuitable and will require remedial manufacturing actions before it can be certified and accepted for dispatch.

Hazer's project team are working with our suppliers and independent experts are carrying out further investigations to determine a rectification plan and assess the options we have for completing the manufacture of the reactor. We will advise shareholders of our planned actions when this is completed.

At this stage, the impact on project costs and schedule cannot be exactly determined. The impact on project cost is not expected to be material. We will also investigate any remedies available to us under the relevant contract terms and our insurances. The impact on the project schedule may be significant; while it can not yet be fully determined, it is anticipated to be at least an 8 – 12 week delay. We will examine any methods available to us to mitigate these impacts and update shareholders on any revisions to schedule or budget as soon as possible.

Geoff Ward, Chief Executive Officer of Hazer Group said "The occurrence of this issue so far into our construction schedule is deeply disappointing. We will carefully work through the causes of this issue and what we can do to rectify the defect identified in the reactor and implement any actions available to mitigate the impact on the project budget and schedule. The identified manufacturing flaw does not impact the planned operation of the reactor or our intended program of operations at the CDP. All other project activities are progressing as scheduled. We will continue with all of these planned activities to allow us to undertake cold commissioning and testing of the plant, including catalyst handling, fluidisation and control systems, prior to the delivery and installation of the reactor."

This announcement was authorised for release by the Board of the Company.

[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.

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