

HAZER AND FORTISBC SIGN BINDING AGREEMENT TO PURSUE A 2,500 TPA COMMERCIAL HYDROGEN FACILITY IN CANADA

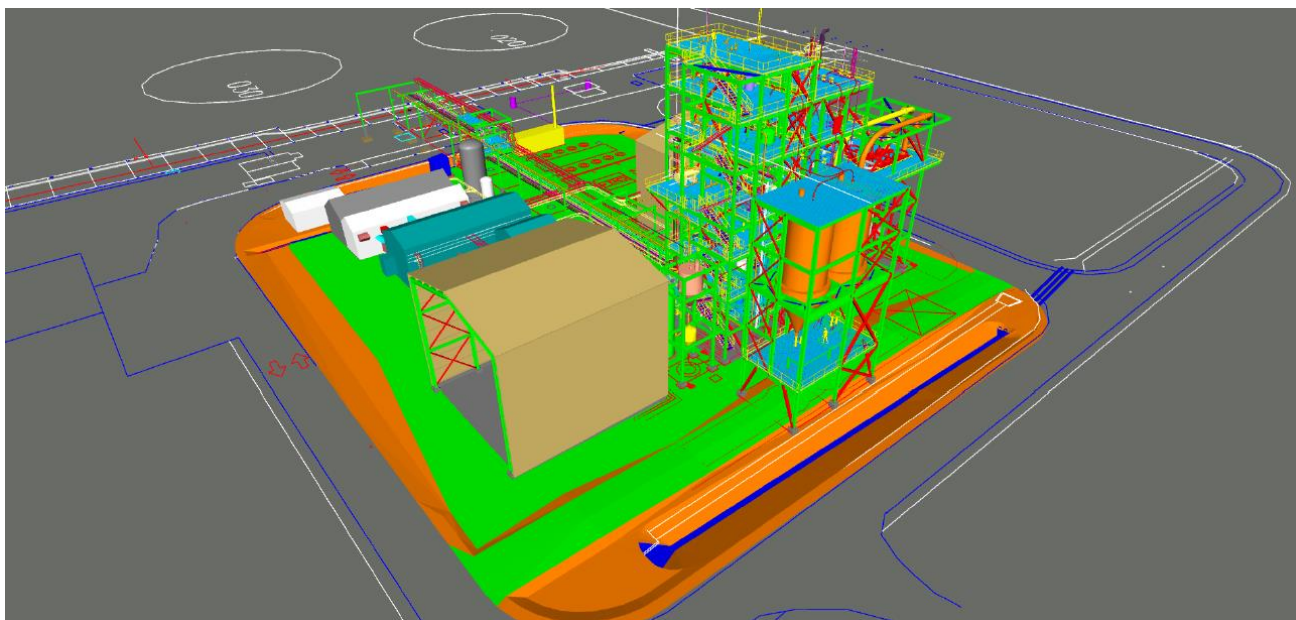
Highlights

- *Hazer and FortisBC consolidate partnership to advance Canadian commercial scale project with binding Project Development Agreement*
- *FortisBC assumes 100% equity ownership while Hazer will license its low-carbon, low emissions technology*
- *Licence fee framework agreed; linked to size of facility and hydrogen and graphite production*
- *Initial FEED study completed and project development decision targeted for 2025, following site selection, FEED integration and completion of definitive agreements*

PERTH, AUSTRALIA; 6 May 2024: Hazer Group Ltd ("Hazer" or "the Company") (ASX: HZR) is pleased to advise that it has signed a binding Project Development Agreement ("PDA") with FortisBC Energy Inc. ("FortisBC") to pursue the development of a hydrogen production facility in Canada, utilizing Hazer's proprietary technology.

The project, to be based in British Columbia, comprises a Hazer production facility with a design capacity of up to 2,500 tonnes per annum (tpa) of clean hydrogen and approximately 9,500 tpa of Hazer graphite, a scale-up of 25 times on the Company's Commercial Demonstration Plant in Western Australia. The Canadian Project is planned as Hazer's first commercial-scale plant to produce low-cost, low-emissions hydrogen and graphite.

Leading Canadian energy utility, FortisBC, will lead the development of the project as well as supply the natural gas feedstock to the project. FortisBC intends to sell the hydrogen from the facility to industrial customers in the Vancouver region to help support British Columbia's CleanBC Roadmap to 2030, the province's emissions reduction target strategy.



3D model of the 2500 tpa Canada Facility

This agreement follows the successful startup of Hazer's Commercial Demonstration Plant ("CDP") in Western Australia earlier this year and the ongoing performance test program which continues to deliver results in-line with expectations. The Company continues to progress other global projects with existing partners such as Engie, Chubu Electric and Chiyoda Corporation, as well as pursue other commercial opportunities.

Project Development Agreement Key Terms

To secure alignment for the Project, the parties have agreed commercial principles to frame the negotiation of the key definitive agreements. This includes a technology licence agreement, technology commercialisation agreement, and engineering services agreement. Completion of the definitive agreements is targeted for the end of 2024.

Under the terms of the PDA, FortisBC will hold 100% equity ownership and assume the role of project lead developer and operator of the facility, and Hazer will be the core technology licensor. For Hazer, this is a significantly de-risked position from the previously contemplated joint operatorship arrangement, as announced on 11 February 2022, as it aligns with Hazer's 'capex lite' business model, removing any capital expenditure obligations for the Company.

A key principle of the technology licence agreement is the payment of licence fees for using the Hazer Process. License fees to be received by Hazer will be determined using a sliding scale model based on size of the facility, production of hydrogen and graphite and other relevant factors. The amount of the licence fees will be negotiated with FortisBC during definitive commercial agreement discussions this year.

Importantly, Hazer is not only providing the process technology for the Project but will also lead the engineering activities relating to the core Hazer technology components. Under the engineering services agreement, FortisBC will pay Hazer for engineering and design work as well as support to regulatory project development activities carried out by the Company for the project.

Hazer retains ownership of all IP associated with the Hazer Process. Joint IP developed in relation to the Project will be owned by both parties equally, with each party having a perpetual right and licence to use the Joint IP for any purpose. In other terms, FortisBC will have exclusive rights in Canada to develop further commercial facilities. The PDA may be terminated by either party on 90 days' notice. Hazer has granted FortisBC with exclusive access to its proprietary technology in Canada until 31 December 2025.

Development Plan & Project Milestones

With the initial phase of the Front-End Engineering and Design ("FEED") study, carried out by Wood Plc, now complete, the main components of the design basis for the 2,500 tpa plant are in place to enable the project to progress into the next phase of development. Once the selection of the new project site is finalised, the FEED study will be refined and completed to reflect integration of the new project location.

The fully integrated FEED study is targeted for completion in late 2024 and together with definitive commercial agreements will form the basis for submission of the project application to the regulator in 1H 2025. The Final Investment Decision ("FID") window is targeted as early as mid-2025 assuming a third-party commercial offtake for the hydrogen which will simplify the regulatory approval process. These project milestones will be firmed up once the site selection process is complete and the timeline for any required regulatory consents are understood.

As previously announced on 28 April 2022, FortisBC has received provincial government funding through the CleanBC grant program to pursue the development of the project.

Hazer's CEO and MD Glenn Corrie said: *"We are delighted to cement our relationship with FortisBC in this world-first project. Canada is a strategic location for the deployment of Hazer technology with abundant, low-cost gas, low-carbon intensity electricity and strong government support. The planned construction of the plant in Canada marks an important milestone for our company and it provides validation of our proposed business model. With the successful start-up and operation of our Commercial Demonstration Plant, this announcement is the next step in Hazer's commercialisation strategy. Assuming our position as the core technology provider for the project substantially de-risks Hazer's position and consolidates our capex-lite business model. FortisBC is the ideal partner to help us on our mission to drive the decarbonisation of hard-to-abate industries utilising our unique climate-technology."*

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

[ENDS]

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About Hazer Group Ltd

Hazer Group is an Australian technology company, driving global decarbonisation efforts with the commercialisation of the Company's disruptive world-leading climate-tech. Hazer's advanced technology enables the production of clean and economically competitive hydrogen and high-quality graphite, using a natural gas (or biogas) feedstock and iron-ore as the process catalyst.

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Forward-looking Statements

This announcement may contain certain "forward-looking statements" which may not have been based solely on historical facts but 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.

