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CANADA PROJECT COMMERCIAL REACTOR TEST PROGRAM SUCCESSFULLY COMPLETED

Highlights

- *Successful completion of pilot rig testing program validates commercial scale-up reactor design; a significant project milestone for the Canada Project*
- *FortisBC site selection progressing with several locations high-graded and undergoing feasibility assessment*
- *Final FEED study nearing completion pending site definition; key deliverable for FID*

PERTH, AUSTRALIA, 4 March 2025: Hazer Group Ltd ("Hazer" or "the Company") (ASX: HZR) is pleased to provide an update on its partnership with FortisBC Energy Inc. (“FortisBC”) in Canada, including details of the successful completion of the pilot rig testing program previously announced in the FY25 Half-Year Results.

Commercial Reactor and Successful Pilot Testing

As previously announced, a pilot-scale reactor test rig has been assembled in Canada with funding support from the provincial government’s CleanBC Industry Fund. Over the past few months, the reactor test program has generated data that plays a crucial role in de-risking and validating the commercial scale reactor designs, including the 2,500tpa reactor to be used in the FortisBC Canada project.

The series of performance tests culminated in a flawless continuous 4-day testing program delivering key results:

1. Confirmation of the stability of the Hazer process using commercial equipment under extended operating conditions;
2. Characterisation of heat transfer behaviour over a range of process operating conditions; and
3. Identification of opportunities for further optimisation of the process equipment for capex and process performance improvements.

The equipment was designed to mimic key aspects of the Hazer Process for producing hydrogen and graphite at commercial scale, and the completion of this testing is a major milestone for the government support from CleanBC.

Canadian BC Minister of State for Local Government and Rural Communities, Brittny Anderson, at the FortisBC pilot rig. Image *courtesy of FortisBC*

These results will now be used to optimise the detailed design of the 2,500tpa commercial scale reactor and for larger scale plants with hydrogen production capacities over 20kpta.

Site Selection and Offtake Strategy

Site selection is a critical and strategic milestone for the project which also secures the hydrogen offtake arrangements with downstream customers ahead of FortisBC making their Final Investment Decision ("FID"). The site selection process is progressing well with extensive efforts undertaken to evaluate potential locations, refine and short-list options, and initiate technical and commercial discussions with prospective site hosts and offtake customers. Currently, several potential sites have been short-listed by FortisBC and are undergoing feasibility studies alongside stakeholder engagement.

Hazer technology in Canada offers multiple hydrogen offtake pathways demonstrating the versatility of our technology. Key offtake options under consideration as part of the site selection process include sustainable aviation fuel ("SAF"), natural gas blending, hydrogen refuelling and other industrial applications.

Hazer maintains ongoing engagement with FortisBC throughout the site selection process. We are confident they are following a very rigorous process that will result in a positive and successful outcome for the project.

Hazer COO Tom Coolican at the FortisBC pilot rig.

Next Steps & Final Investment Decision (FID)

The project is quickly advancing towards the finalisation of the Front-End Engineering and Design ("FEED") study and waiting the final site selection to enable completion of the study. FEED completion is a key factor in FortisBC's FID, which will subsequently require government approvals.

Given the significant progress with the reactor testing and site selection, FortisBC and Hazer remain confident that the pre-requisites to achieve FID will be achieved in 2025, which is in line with the expected timeframes for this project.

As disclosed in the 20 September 2024 announcement, Hazer continues to receive monthly revenue from the FortisBC project associated with the engineering work performed by the Hazer team in support of the project.

The Canada Project

As announced on 6 May 2024, Hazer and FortisBC entered into a binding Project Development Agreement ("PDA") to pursue the development of a hydrogen production facility in British Columbia, Canada, based on Hazer's technology and with a design capacity of up to 2,500 tonnes per annum ("tpa") of clean hydrogen and 9,500 tpa of graphite. The project has strong support from the British Columbia government and has already received CAD$8 million in funding through the CleanBC Industry Fund.

A leading Canadian energy utility, FortisBC is the largest provider of critical energy services in the British Columbia province, delivering renewable energy, natural gas, electricity and propane to almost 1.3 million customers. The project, which is 100% owned by FortisBC, will license Hazer technology to provide hydrogen and graphite to industrial customers in the Vancouver region boosting British Columbia's CleanBC Roadmap to 2030 and the province's emissions reduction target strategy.

Hazer's CEO and MD Glenn Corrie said: "*We are very pleased with the continued progress of the FortisBC project, which has reached several key milestones, including the successful completion of the pilot rig reactor testing program. This demonstrates the robustness and scalability of our technology. The site selection process is also progressing well, with several promising locations identified. With full support from FortisBC and local government backing, this exciting project has unlocked a design basis for a world-first, commercial-scale Hazer facility. We are confident in the development plan and look forward to providing further updates as we work toward producing low-cost, low-emissions hydrogen and graphite at commercial scale using the Hazer Process.*"

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

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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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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.

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