17 July 2019
Via E-Lodgment
Manager of Company Announcements
ASX Limited
Level 6, 20 Bridge Street
Sydney,
NSW 2000

ANNUAL REPORT 2019

Renergen Limited (ASX: RLT) ("Renergen / Company") encloses a copy of its Integrated Annual Report (IAR) for the period ending 28 February 2019. Pursuant to the Deed of Undertaking entered into between the Company and ASX, in addition to the information disclosed in its IAR the Company provides to ASX and its shareholders, the following information:

1) The Company is not subject to chapters 6, 6A, 68 and 6C of the Corporations Act dealing with the acquisition of its shares (including substantial holdings and takeovers).

2) South African laws impose limitations on the acquisition of securities, as may be out in the following:
    a. The Company's memorandum of incorporation;
    b. The Companies Act 71 of 2008; and
    c. The JSE Listing Requirements.

The Company ensures compliance with all applicable legislation and regulations.

Renergen Limited
Renergen is an emerging producer of helium and liquefied natural gas (LNG), with existing production and sales of compressed natural gas (CNG).
Renergen was listed on Johannesburg's AltX securities exchange in June 2015 as South Africa's first listed alternative and renewable energy company.

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RENERGEN

FUTURE ENERGY, TODAY

2019

INTEGRATED ANNUAL REPORT

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01

ABOUT THIS REPORT

WE ARE PLEASED TO PRESENT OUR FOURTH INTEGRATED ANNUAL REPORT. IT IS OUR PRINCIPAL COMMUNICATION TO ALL STAKEHOLDERS ON OUR ABILITY TO CREATE SUSTAINABLE VALUE OVER TIME.

Registration number:
2014/195093/06

Share code (REN): REN

ISIN: ZAE 000 202610

Listing date: 9 June 2015

Australian Business Number (ABN): 93 998 352 675

Share code (ASX): RLT

Listing date: 6 June 2019

SCOPE AND BOUNDARY AND REPORTING PRINCIPLES

This Integrated Annual Report covers the performance of Renergen Limited (Renergen or the Company or the Group) for the year from 1 March 2018 to 28 February 2019 and concerns the operations of our primary asset, Tetra4 Proprietary Limited (Tetra4).

We strive to provide a transparent and balanced appraisal of the material issues that faced our business during the year under review and that impact our ongoing ability to create value. We describe our business model outlining the resources and relationships that impact our business activities, transforming them into outputs and outcomes that guide us towards our vision of capitalising on the growth in the alternative and renewable energy sector by delivering superior and sustainable economic returns to stakeholders.

We aim to provide our stakeholders with information that we believe is of material interest and that will provide information needed to make an informed assessment of Renergen's ability to create value over the short, medium and long-term.

We do not publish a separate sustainability report. Renergen endorses the guidelines of King IV and the detailed report can be found on pages 57 to 66.

Our reporting process has been guided by the principles and/or requirements of the International Financial Reporting Standards (IFRS), the International Integrated Reporting Council's (IIRC) International <IR> Framework, the GRI Standards, the King Code on Corporate Governance 2016 (King IV), the ASX Corporate Governance Principles and Recommendations (Fourth Edition), the JSE Listings Requirements, ASX Listings Requirements and the Companies Act 71 of 2008. In terms of human rights, labour, the environment and our anti-corruption efforts, we apply the principles of the United Nations Global Compact (UNGC).

FORWARD-LOOKING INFORMATION

The report contains certain forward-looking information regarding the financial position of the Group. Renergen believes this forward-looking information to be realistic at the time of the issue of the report. These statements include uncertainties, assumptions and risks about future events and circumstances, which may result in actual results differing from those anticipated. Forward-looking information has not been independently reviewed by the external auditors. Renergen undertakes no obligation to update publicly or release any revisions to these forward-looking statements to reflect events or circumstances after the date of publication of this report or to reflect the occurrence of unanticipated events.

CORPORATE INFORMATION

The Group's Executive Directors are Stefano Marani (CEO), Nick Mitchell (COO) and Fulu Ravele (CFO). They can be contacted at the registered office. Renergen's Integrated Annual Report 2019 is available on the Group's website: **www.renergen.co.za**

ASSURANCE

The Group's external auditor, BDO, has provided assurance on the Consolidated Annual Financial Statements. The financial statements have been prepared under the supervision of Fulu Ravele, the CFO of Renergen. Renergen does not have an internal audit function, but the Board, through its Committees monitors and reviews financial compliance, risk management, regulatory compliance, governance of information technology and operational management.

BOARD APPROVAL

The Board acknowledges its responsibility for ensuring the integrity of the Integrated Annual Report. The report has been prepared in line with best practice. The Board confirms that it approved the Annual Financial Statement and the Integrated Report on the recommendation of The Audit, Risk and IT Committee on 27 June 2019.

Brett Kimber
Chairman

27 June 2019

Stefano Marani
Chief Executive Officer

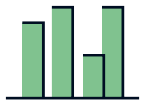
27 June 2019

NAVIGATING THIS REPORT

The following icons are used to show the connectivity between sections in the report:

CAPITALS

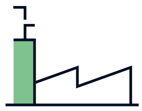
See page 14 for descriptions of the capitals as they relate to Renergen.



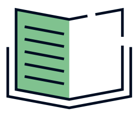
FINANCIAL CAPITAL

HUMAN CAPITAL

NATURAL CAPITAL



MANUFACTURED CAPITAL



INTELLECTUAL CAPITAL

SOCIAL & RELATIONSHIP CAPITAL

KEY TERMS

Compressed natural gas (CNG) is made by compressing natural gas and is primarily used as a fuel which can be used in place of petrol, diesel and and liquid petroleum gas (LPG).

Liquid natural gas (LNG) has been cooled down to liquid form for ease and safety of non-pressurized storage or transport, and is primarily used as a fuel which can be used in place of diesel and LPG.

02

OVERVIEW OF RENERGEN

OUR VISION

To capitalise on the unprecedented growth in the alternative energy sector by delivering superior and sustainable economic returns to shareholders

OUR MISSION

Renergen is an integrated alternative and renewable energy business that invests in early stage energy projects across Africa and emerging markets

OUR VALUES

PIONEERS	INSIGHTFUL	LIMITLESS	ENTREPRENEURIAL	SUSTAINABLE
First JSE listed company in the alternative energy sector First primary listed SPAC on the AltX First helium company on ASX First onshore petroleum production right in South Africa	A deep understanding of alternative energy sector and the ability to enhance and maximise resources	Endless possibilities in underutilised energy resources	Consistently exploring opportunities from challenges faced on the African continent	Reduction of carbon footprint and access to energy are primary goals

WHO WE ARE

RENERGEN IS AN EMERGING HELIUM AND LNG PRODUCER, WHICH HOLDS THE RIGHTS TO RICH RENEWABLE NATURAL GAS FIELDS, WITH EXCEPTIONALLY HIGH HELIUM CONCENTRATIONS, WHICH RENDER IT A MAJOR GLOBAL HELIUM RESOURCE.

Renergen listed on the JSE AltX in 2015, as South Africa's first and only holder of an onshore petroleum production right. On 6 June 2019, Renergen listed on the ASX, as the first helium company on the exchange.

Our principal asset is our 90% shareholding in Tetra4, which holds the first and only onshore petroleum production right in South Africa, giving us first mover advantage on distribution of domestic natural gas. The gas field is situated in the Free State, South Africa, approximately 250 km southwest of Johannesburg. Tetra4's Virginia Gas Project's production right, issued by the Department of Mineral Resources, is valid for another 23 years.

Tetra4 holds additional exploration rights in Evander, Mpumalanga in South Africa, which will be further explored once the Virginia field is fully commissioned.

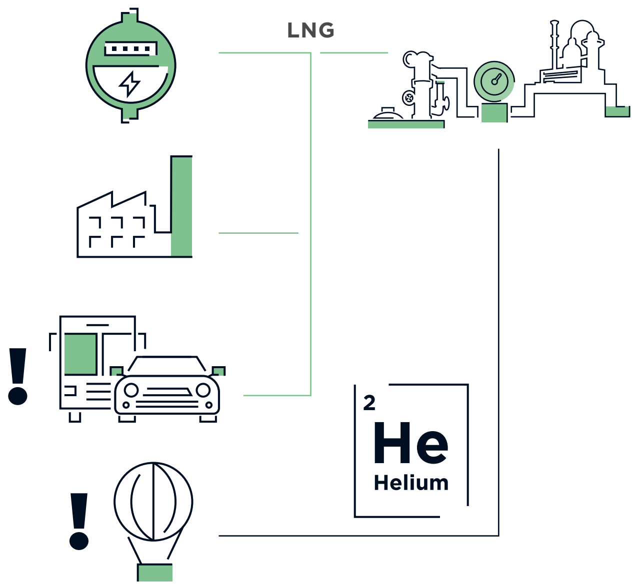
Our primary focus is on the commercialisation of the Virginia Gas Project, to unlock value across the entire value chain. Our 'wellhead to tank' strategy, which sees Tetra4 beneficiate gas and supply refined products directly to the customer, has already established Tetra4 as a vertically integrated gas producer in the region. Tetra4 is currently producing and selling CNG on a small scale from our existing plant, which is connected to a single well and supplies fuel to a dispensing station at Megabus. Later this calendar year will see a second dispensing station established in Johannesburg, increasing CNG production to the maximum capacity of the existing pilot plant.

The natural gas contains one of the richest helium concentrations recorded globally. The natural gas is also very pure with an average of over 90% methane, and almost zero higher alkanes, which reduces the complexity of liquefication.

The Board approved the Virginia Gas Project strategy, thereby approving capital expenditure of R512 million on the project. Our strategy is to expand the Virginia Gas Project to produce liquid helium and LNG. The expansion will take place in stages. Construction in the first stage, which will encompass connecting existing wells to a new gas pipeline and constructing a new helium and LNG plant, is imminent. The Environmental Authorisation to construct all mid-stream and downstream facilities was awarded in September 2017 and Tetra4 has met all regulatory deliverables and contractual awards for the New Plant. Completion and commissioning is expected within 21 months. Once the New Plant is operational, Tetra4 will cease its CNG production and replace this with LNG.

In February this year Renergen announced the financial support by the US Government, through its agency the Overseas Private Investment Corporation (OPIC), for an amount of US$ 40 million for the construction of the first phase of the Virginia Gas Project, which will see Tetra4 commence with the daily production of up to 2,700 gigajoules of LNG and 350 kg of helium. The commitment of the loan by the OPIC is a clear endorsement of the quality of the resource and viability of the Virginia Gas Project.

VERTICALLY INTEGRATED BUSINESS - FROM WELLHEAD TO TANK



Tetra4 aims to maintain the lowest cost structure possible. This begins at the wellhead, where we are able to extract raw natural gas at costs lower than most gas producers, because of the low cost of drilling and extraction due to Virginia Gas Project's regenerative nature. Tetra4's midstream operation is designed with the intention of being low cost to build and maintain. Tetra4's processing has been tailored to its high helium concentration, so Tetra4 enjoys significant economies of scale on power consumption in the cryogenics process – more so than a company with little to no helium concentration.

Tetra4 has a ready market for its LNG product having entered into gas sales agreements with Megabus, Anheuser-Busch and Black Knight Logistics, and is in discussions with many more. For helium, Tetra4 has secured a fully termed take-or-pay helium offtake agreement with Linde Global Helium for up to a maximum annual volume of 112,700 kg (or 24,000 mcf), which will satisfy its liquid helium consumption in South Africa.

LNG MARKET

Tetra4 will become the first commercial supplier of LNG in South Africa, providing a secure independent energy supply, with significantly reduced carbon emissions compared to diesel in the same applications. The gas fields are situated in an energy scarce area, with high customer density and limited competition. Tetra4 will distribute its LNG product via modular mobile refuelling facilities, which Tetra4 will locate on vacant land to be leased on established trucking routes. By switching from diesel to Tetra4's LNG, customers will realise a meaningful cost saving and reduce their carbon tax, anticipated to be introduced in 2019. Tetra4 will sell its LNG product to domestic consumers, targeting primarily the South African transport industry, in which it has established relationships with customers.

In addition to the heavy haulage vehicle market, Tetra4 will also target existing South African users of LPG. LPG is actively used in South African heavy industry and is priced at a significant premium to Tetra4's expected price for LNG. There are only limited barriers for customers to switch from LPG to LNG, given they are both light gases. In most instances industrial burners are capable of running on LPG and natural gas. Pipelines may be suitable for the supply of both LPG and natural gas but typically need to be checked to ensure the volume flow or capacity constraints provide the same amount of energy throughput. In all cases the storage of LPG and LNG will require the change of storage vessels given the vastly different characteristics for each.

KEY FACTS ON LNG FOR TRANSPORT

- Drastically reduces carbon emissions
- Improves the vehicle's lifecycle maintenance
- Reduces the operator's cost significantly
- Globally approximately 24 million vehicles run on natural gas

HELIUM MARKET

We are set to become a significant global producer of helium, introducing South Africa as the eighth country in the world to export the very rare commodity. We are focused on unlocking the considerable value in the highly lucrative helium stream with an offtake agreement already in place. Our plant will be the first liquid helium processing technology in the country.

Helium is a vital and irreplaceable element in many modern industries. Helium is used for space exploration, rocketry, high level scientific applications, in the medical industry for MRI machines, fibre optics, electronics, telecommunications, superconductivity, underwater breathing, welding, nuclear power stations and lifting balloons.

The Independent Market Report on the global helium industry (available on our website, www.renergen.co.za), states that there is likely to be a global shortage of helium supply starting in 2019 and continuing until new planned projects in Qatar and Russia come online, planned for 2020 and 2021 respectively. There is no way of manufacturing helium artificially and existing naturally occurring resources are finite.

The accessibility and commerciality of helium reserves are complex and are generally found within conventional natural gas reservoirs in small concentrations (<0.5%), making helium a valuable by-product as long as the gas is profitable to extract. Due to its properties, helium cannot be produced from shale.

Helium is a rare commodity and becomes economically viable to extract from natural gas at concentrations as low as 0.1%. The Virginia Gas Project's average concentration of helium is 3.4% and reaches 11%, placing Tetra4 at the forefront of exciting new discoveries for global helium supply.

THE PROPERTIES OF HELIUM

Helium is best known for being lighter than air, but it actually has many unique qualities that make it important for applications in technology.

INERT
Doesn't react with other elements, and doesn't explode like hydrogen

LIGHTER THAN AIR
Ability to lift and/or float

MELTING POINT -272ºc
Liquid at ultra-cool temperatures enables superconductivity

SMALL MOLECULAR SIZE
Can be used to find the smallest of leaks

2

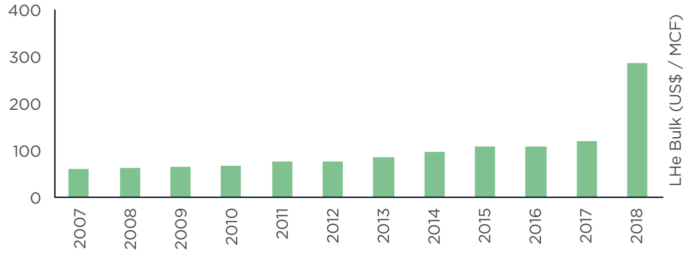
He

Helium

4.003

HELIUM IS CRUCIAL TO INDUSTRY, RESEARCH, MEDICINE & DEFENCE

WHAT IS THE CURRENT PRICE OF HELIUM?



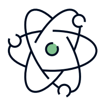
He Raw Gas BLM (US$ / MCF)

Source: Edison, USGS and BLM

THE PROPERTIES OF HELIUM

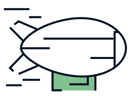
Helium is best known for being lighter than air, but it actually has many unique qualities that make it important for applications in technology.

INERT
Doesn't react chemically with other elements



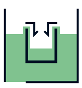
NON-TOXIC
It's colourless, odorless and tasteless

LIGHTER THAN AIR
Ability to lift and/or float



BOILING POINT -268.9°C
Does not solidify at atmospheric pressure

SUPERFLUID
The only substance with no viscosity in liquid form making it critical in use for high energy physics



HELIUM USES

Helium is a vital and irreplaceble element in many modern industries.

- CONTROLLED ATMOSPHERES 3%
- BREATHING 3%
- OTHER CRYOGENIC 4%
- ELECTRONICS 4%
- LEAK DETECTION 5%
- FIBER OPTICS 6%
- PURGING 6%
- LIFTING/BALLOONS 8%
- LABORATORY 10%
- OTHER 14%
- WELDING 17%
- MRI 20%

Source: USGS

WHY IS HELIUM IMPORTANT?

- Helium is a rare commodity
- Helium becomes economically viable to extract from natural gas at concentrations as low as 0.1%
- The Virginia Gas Project's average concentration of helium is 3.4%
- Tetra4 is placed at the forefront of exciting new discoveries for global helium supply

WHARE DO WE FIND HELIUM ON EARTH?

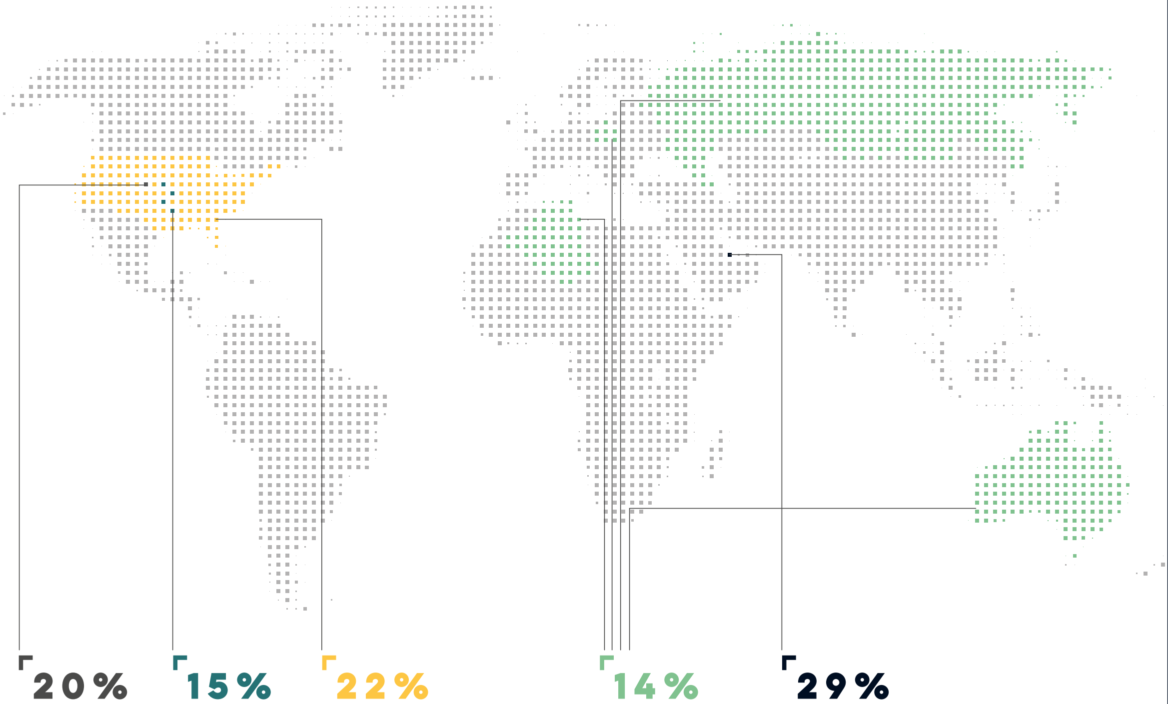
Helium is the second most abundant element in the universe

Lighter than air and most of it in the Earth's atmosphere bleeds off into space

Helium is a by-product of radio active decay, and is associated with natural gas

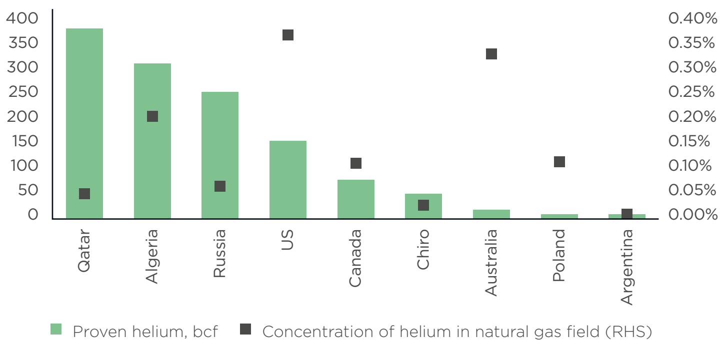
WHERE IS THE WORLD'S HELIUM PRODUCED?

The world's helium is extracted by 20 liquefaction plants located in the US, Poland, Russia, Australia, Algeria and Qatar.



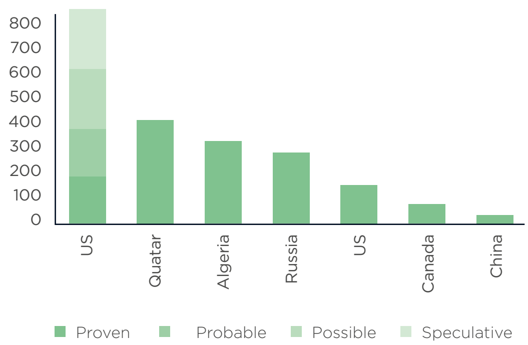
29%	Qatar I & II plants
22%	U.S. Bureau of Land Management (BLM)
20%	ExxonMobil, Wyoming
15%	(Private plants), Kansas, Oklahoma, Texas, Colorado, South Dakota
14%	(Collective plants) Poland, Australia, Russia, Algeria

Reserves of helium globally, including from natural gas fields



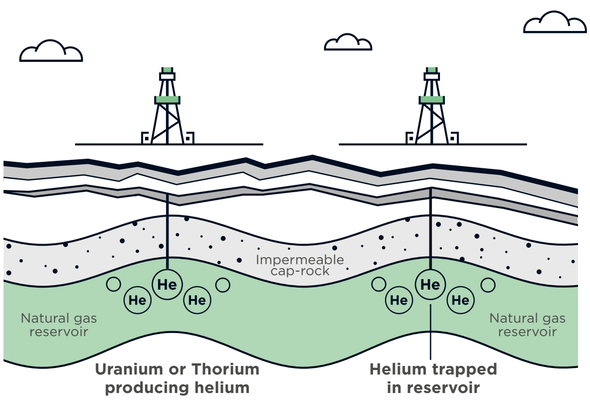
Source: BLM "BLM — Determination of fair market value pricing of crude Helium." Note: Proven helium reserves are given in bcf. Estimates made in 2013.

USGS summary of global helium resources (intermediate findings)



Source: USGS Mineral Commodity Summaries, January 2016. Note: Converted using a 36cf/m ratio.

HOW IS HELIUM MADE/EXTRACTED?



Naturally occurring helium

This comes from deep inside the Earth. Radioactive elements such as uranium and thorium decay and turn into other elements. The by-product of these reactions are tiny fragments called a-particles, which consist of two neutrons and two protons. Those particles pick up electrons from the environment around them and turn into helium, which gradually rises up through the crust and is emitted into the atmosphere, where it keeps rising until it escapes from the earth's atmosphere.

Natural gas by product

Helium is usually produced as a by-product of natural gas processing. There has to be a certain amount of helium in the natural gas, to justify the separation process from natural gas. Impurities such as water, carbon dioxide and hydrogen sulphide are removed from the gas. Finally, a process called cryogenic processing is used to cool the gas and remove the methane, leaving behind a crude form of helium.

2019 HIGHLIGHTS & MILESTONES

FINANCIAL
CAPITAL

AUD 10 million raised in our Australian listing, with more than two times the minimum subscription amount achieved in committed bids.

US$ 40 million loan facility approved for development of Virginia gas field project, from US government agency (OPIC).

ZAR 125 million rights issue concluded in November 2018, fully underwritten by Mazi Asset Management.

R301.2 million Group stated capital (2018: R161.1 million)

R2.99 million Group revenue (2018: R2.89 million)

NATURAL
CAPITAL

- 12.2% increase in proven methane reserves
- 16.1% increase in proven helium reserves

Updated methane and helium net gas reserves, relative to the independent review undertaken by MHA Petroleum Consultants LLC ("MHA"), a qualified reserve evaluator.

3.4% average concentration of helium in Renergen's gas resource

HUMAN
CAPITAL

No injuries or fatalities

R189 706 spend on further education for employees

INTELLECTUAL
CAPITAL

Adherence to King IV principles

Integration of International Finance Corporation (IFC) Governance standards and guidelines

Continual focus on digitalisation and digital transformation

MANUFACTURED
CAPITAL

CNG plant operating at optimal capacity

R9.5 million spent on plant, machinery and equipment on engineering of Tetra4's Virginia operating plant expansion.

R3.8 million spent on gas exploration

Signed an agreement with Black Knight Group for the supply of LNG

SOCIAL & RELATIONSHIP
CAPITAL

62% combined total procurement spend with HDSA companies

Awarded 2 secondary school bursaries

Awarded 2 tertiary school bursary

Awarded 2 internships

Donated funds and time to charitable organisations

TIMELINE

The following major milestones have been achieved throughout the lifecycle of Renergen and the Virginia Gas Project:

2015
JUNE
Listed on the JSE's AltX Exchange as first primary listed SPAC

2015
NOVEMBER
Acquired Tetra4 and Windfall's share of Côte d'Ivoire hydro electric joint venture (Mega Power Renewables). As a result of the acquisition, Renergen is no longer classified as a SPAC and is the first renewable energy company listed on AltX

2016
JANUARY
Commenced construction of initial compression facilities for Tetra4

2016
JUNE
Commenced Front End Engineering and Design (FEED) for the helium liquefier

2016
SEPTEMBER
Acquired control of Mega Power Renewables

2016
MAY
Tetra4 began production, supplying Compressed Natural Gas (CNG) to Megabus, a division of Unitrans Passenger Proprietary Limited

Helium off-take agreement with Linde Group secured

2016
OCTOBER
Reserve Update shows 24% increase in net reserve volumes

2017
MARCH
Commenced FEED for the gas reticulation pipeline

2017
APRIL
Completed and submitted the Environmental Impact Assessment (EIA) related to the gas pipeline reticulation network and construction of the helium facility to the competent authority for a Record of Decision (RoD) with no formal objections

Continued progression of the feasibility study for Mega Power Renewables Côte d'Ivoire hydroelectric project

2017
MAY
The EIA was submitted to the authority

Renergen concludes R218 million funding with IDC

2017
SEPTEMBER
Received a positive environmental authorisation or RoD on Tetra4's Environmental Impact Assessment (EIA) by the Petroleum Agency of South Africa (PASA)

18 months of CNG production completed

Pipeline FEED completed

LNG and helium liquefier FEED completed

2018
FEBRUARY
Disposed of Mega Power Renewables

2018
MARCH
Reserve Update shows 27% increase in net reserve volumes

2018
MAY
CNG and LNG Offtake Agreement concluded with Anheuser-Busch InBev subsidiary, South African Breweries

2018
NOVEMBER
R125 million raised in rights offer

2019
FEBRUARY
US$40 loan facility approved by OPIC

2019
JUNE
Listed on the ASX, raising AUD 10 million, which was twice the minimum

Selection of preferred EPC contractor for gas gathering system

Selection of preferred technology supply contractor for the LNG and LHe processing plant

OUR NATURAL GAS RESOURCE

VIRGINIA GAS PROJECT

Tetra4's Virginia Gas Project comprises exploration and production rights of 187 000 ha of gas fields across Welkom, Virginia and Theunissen, in the Free State.

The source of the Virginia Gas Project's natural gas is primarily microbial. It originates from deep within the Witwatersrand Supergroup, via groundwater circulating through large faults and contacting bacteria deep within the earth's crust. This means the methane is a biogenic and a continuing renewable resource.

An independent reserve review compiled in March 2019, by MHA Petroleum Consultants LLC ("MHA") from the US in respect of the Virginia Project estimates a 12.2% increase in proven methane reserves and a 16.1% increase in proven helium reserves since March 2018, resulting in an economic valuation of R9,8 billion for proved and probable reserves.

Tetra4 also has discovered commercial methane gas reserves of 284.18 Bcf, methane contingent resources of between 237.3 Bcf and 684.5 Bcf, and methane prospective resources of between 640 Bcf and 2,069 Bcf, with high purity of the natural gas resource (average 90% methane) and almost zero higher alkanes (which reduces the complexity of LNG production).

Tetra4 has discovered commercial helium reserves of 6.86 Bcf and contingent helium resources of between 7.9 Bcf and 20.9 Bcf, with one of the richest helium concentrations recorded globally (average 3.4%, with helium becoming economically viable to extract from natural gas at concentrations as low as 0.1%).

The helium, as with almost all helium around the world, is either derived from the mantle (that is, from deep within the earth) or from the decay of radioactive minerals within the earth's crust. As the helium moves up the large faults, it mixes with the microbial methane in the deep subsurface. Due to the origin and composition of the gas and the underlying geology, seismic and electromagnetic surveys have not yielded relevant results.

The production right covers an area where gas emitting boreholes were identified through other mineral exploration activities. Several of these boreholes are flowing gas at high production rates, with high concentrations of helium, and have been doing so for decades.

Tetra4 has acquired significant borehole data from earlier mineral explorers, enabling it to develop a detailed 3-dimensional underground geological model of the faulting, sills and dykes, all of which are carriers of the gas. The geological model has been used to determine drill targets and is detailed enough to provide coordinates, direction and entry azimuth to intersect targeted structures.

The low-pressure nature of the Virginia Gas Project has allowed the use of simple drilling techniques (such as percussion drilling and diamond coring) to a target depth of 400m to 750m below surface, without the need to stimulate wells further. The process has a lighter environmental impact and is relatively cost effective when compared to usual conventional and unconventional petroleum exploration.

Detailed information about Tetra4's helium and methane gas reserves and resources is contained in the Independent Reserve and Resource Evaluation Report on our website.

KEY FACTS

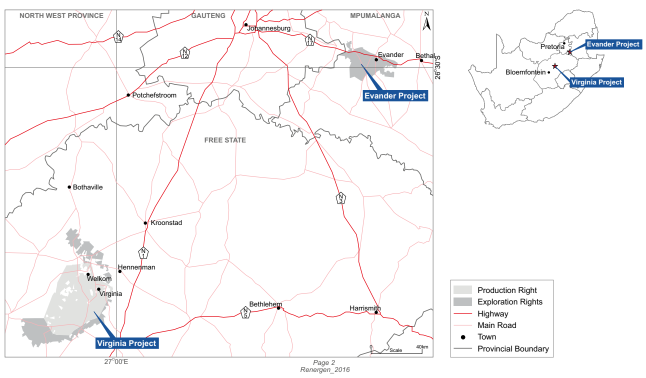
- Production right valid for 23 years
- Since March 2018:
  16.1% increase in proven helium reserves
  12.2% increase in proven methane reserves
- R9,8 billion economic valuation for proved and probable reserves at March 2019
- Natural gas resource contains one of the richest Helium concentrations recorded globally
- Helium reserves of 6.86 Bcf
- Contingent helium resources of between 7.9 Bcf and 20.9 Bcf
- Methane gas reserves of 284.18 Bcf
- Methane contingent resources of between 237.3 Bcf and 684.5 Bcf
- Methane prospective resources of between 640 Bcf and 2,069 Bcf

EVANDER EXPLORATION RIGHT

Tetra4 also holds the Evander Exploration Right. Although Renergen has not begun exploration, existing drill holes drilled by others exploring for minerals, are producing natural gas. The Evander Exploration Right is located 120 km east of Johannesburg and covers approximately 55,000 hectares.

The natural gas indications at the Evander Exploration Right are similar in composition to the gas produced at the Virginia Gas Project, in that they have almost zero higher alkanes. However, the helium concentrations are significantly lower at around 0.5% (which Renergen still considers significant). Tetra4 intends to carry out additional exploration at the Evander Exploration Right in late 2020 calendar year.

Table 4: Information on Evander Exploration Right



KEY STRENGTHS AND COMPETITIVE ADVANTAGES

PROVEN HELIUM RESERVES MAKE TETRA4 A MEANINGFUL PLAYER IN THE GLOBAL LANDSCAPE

Tetra4 enjoys a high helium concentration in its gas stream, with an average concentration of 3.4%, with the last well (drilled in September 2016) producing 11% helium.

HELIUM IS A HIGH GROWTH GLOBAL MARKET

Edison Investment Research in its Independent Market Report, reports that there is likely to be a global shortage of helium supply commencing in 2019.

FIRST MOVER ADVANTAGE ON DISTRIBUTION OF NATURAL GAS IN SOUTH AFRICA

Tetra4 was granted the first and only onshore petroleum production right in South Africa and has experience in producing and selling natural gas, having started doing so in May 2016.

Renergen is proposing a significant near-term expansion of the Virginia Gas Project to construct a New Plant to produce helium and LNG.

Tetra4 will be in a position to proceed with stage one of its expansion plan immediately after receiving confirmation of first draw drawdown date of the OPIC facility from OPIC, with all major pre-funding project deliverables completed.

Tetra4 therefore expects to be able to capitalise on its first mover advantage and begin supplying LNG to the South African transport industry and other users around the end of calender year 2021.

LARGE LNG MARKET IN SOUTH AFRICA – PARTICULARLY FOR THE TRANSPORTATION INDUSTRY

Demand for Tetra4's LNG is expected to significantly exceed its production capacity, given that South Africa lacks LNG import infrastructure and has no other access to LNG.

SCALABLE PLANT

The New Plant has been designed to be scalable, to support the anticipated growing demand for helium and LNG.

REVENUE IS LINKED TO US DOLLAR

Tetra4's expected future helium revenue is denominated in US dollars, whilst its expenses are primarily incurred in Rand. This means that if the Rand depreciates against the US dollar, Tetra4 would become more profitable. However, the opposite it also true.

EXPLORATION POTENTIAL

The sandstone deposit contained within the Virginia Production Right is being drilled with the intention of determining the scale and feasibility of Phase 2 of the Virginia Gas Project.

Tetra4 also holds the Evander Exploration Right, which is an additional onshore petroleum exploration right at Evander, Mpumalanga in South Africa.

Although Tetra4 has to date not commenced any drilling, there are existing drill holes drilled by others exploring for minerals, rather than petroleum, two of which produce natural gas. The Evander Exploration Right also has a significant number of additional sites that show indications of natural gas.

TETRA4 IS EXPECTED TO BE AN ECONOMIC STIMULATOR FOR THE REGION

Tetra4 has garnered significant support from local business and communities.

This is an important underpinning of Tetra4's social licence to operate and will continue to be a focus for Tetra4 during the proposed expansion of the Virginia Gas Project and after helium and LNG production commences.

OUR STRATEGIC FOCUS

CNG PLANT

The CNG Plant produces up to 200 GJ per day of gas from one well and includes a compression station, mobile storage units and a dispensing station at the site of Tetra4's customer, Megabus. Megabus who has been successfully trialling replacement of diesel with Tetra4's CNG in its buses since May 2016. Megabus has more than 220 buses in proximity to Tetra4's operations.

Supply of additional CNG into the Johannesburg market from the existing pilot plant will commence by end of September 2019. It is envisaged that we will be able to supply a minimum of 15 trucks with the possibility of increasing to 25 trucks per day at an average consumption of 4 GJ per truck per day

Tetra4 has also entered into an agreement with Black Knight Logistics for the supply of LNG to 100 trucks when the New Plant becomes operational.

If exploration results, regulatory approvals and other project dependencies support it, it is possible that in the medium term Tetra4 may be able to relocate the CNG Plant to its Evander Exploration Right, with the eventual aim of supplying local bus operators with CNG.

EXPANSION OF THE VIRGINIA GAS PROJECT

The proposed expansion of the Virginia Gas Project is to be undertaken in stages:

STAGE ONE (SHORT-TERM)

OBJECTIVE	COMMENCE FULL SCALE PRODUCTION
Expected timeframe	Within 21 months of completing financing package for construction
Infrastructure development	Construction of LNG and helium liquefiers
	Pipeline construction to connect the 12 existing economically viable gas wells to pipeline and the New Plant
Production capacity	Designed for a maximum daily production capacity of 350 kg of liquid helium and 50 tons of LNG per day, with additional drilling increasing capacity

STAGE TWO (MEDIUM-TERM)

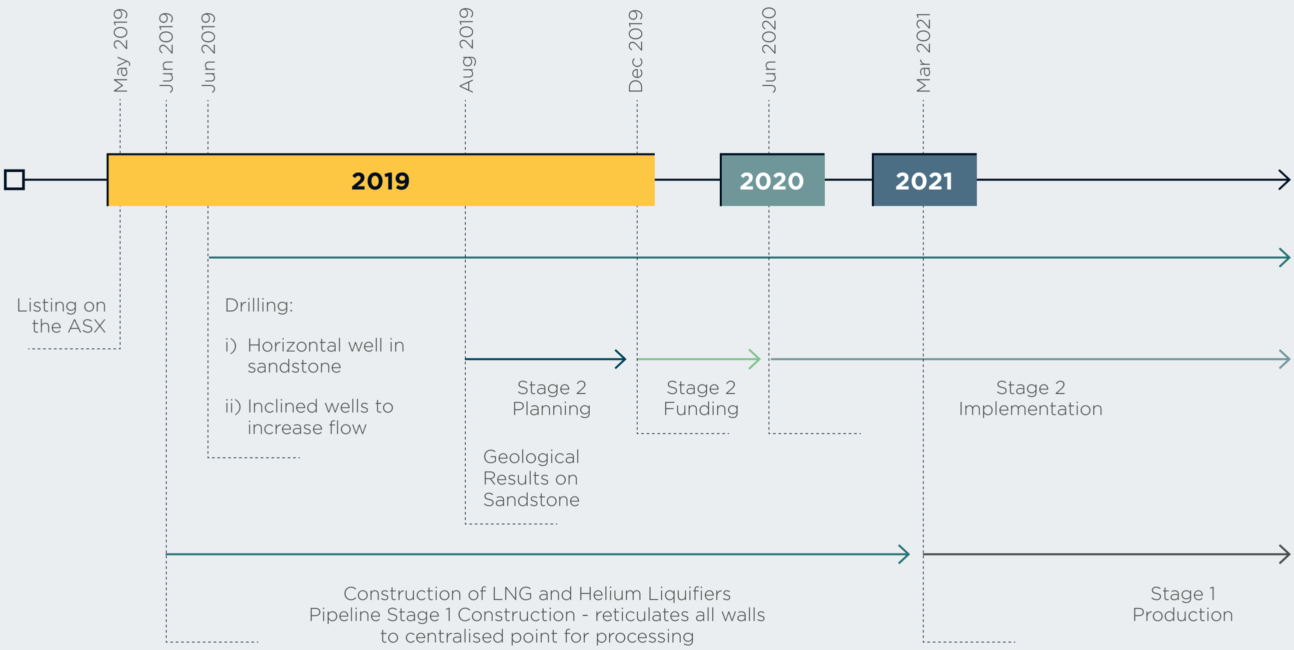
OBJECTIVE	INCREASE PRODUCTION
Expected timeframe	Undertaken over 3 to 4 years
Infrastructure development	Additional drilling and connecting new wells to the main pipeline
Production capacity	Increase daily production capacity to approximately 150 tons of LNG per day, and up to 1,500 kg of helium per day by adding additional modules and drilling up to 80 wells

LONGER-TERM

OBJECTIVES

- Capitalise on additional opportunities in the upstream helium and natural gas sector to drive growth
- Build a large scale South African natural gas company with diversified revenue streams

Table 2: Indicative timeline



LNG PROCESSING AND PRODUCTION

The New Plant will be located directly adjacent to Tetra4's current facility. The location will therefore be able to share already installed infrastructure which was built for the CNG operation, including:

- the road joining the New Plant and the main road
- already cleared acreage for construction
- access to borehole water
- access to the piping system for the well, used for the current CNG operation
- access to existing safety and security systems
- access to parking facilities for equipment
- access to existing gas generators for power

The plant is scalable to account for additional flow by the introduction of additional modules which individually occupy very little space. Modularisation also means that expanding capacity begins to enjoy economies of scale, as Tetra4 will not be required to order an entire plant, only components.

The pipeline will be connected to all the well heads, where flow meters will communicate with the main system informing Tetra4 which wells are operating at optimum capacity, as well as ensuring that the mass-flow balances are matched.

The New Plant is designed to run with a minimum 95% uptime availability per annum. Tetra4 will make use of power line communication, Supervisory Control and Data Acquisition, human-machine interface and internet of things technology throughout the plant and integrate it into a single control room for the effective operation and control of the pipeline, LNG plant and liquid helium plant. The New Plant is designed with full automation in mind and will embrace internet of things technology for seamless integration into our enterprise resource planning and quality management system. This means that Tetra4's New plant will have minimal staffing requirements to operate. As such, Tetra4 plans to run 4 small teams on 8 hour rotating shifts. The teams will be supported by a dedicated operations and maintenance team.

DISTRIBUTION OF LNG

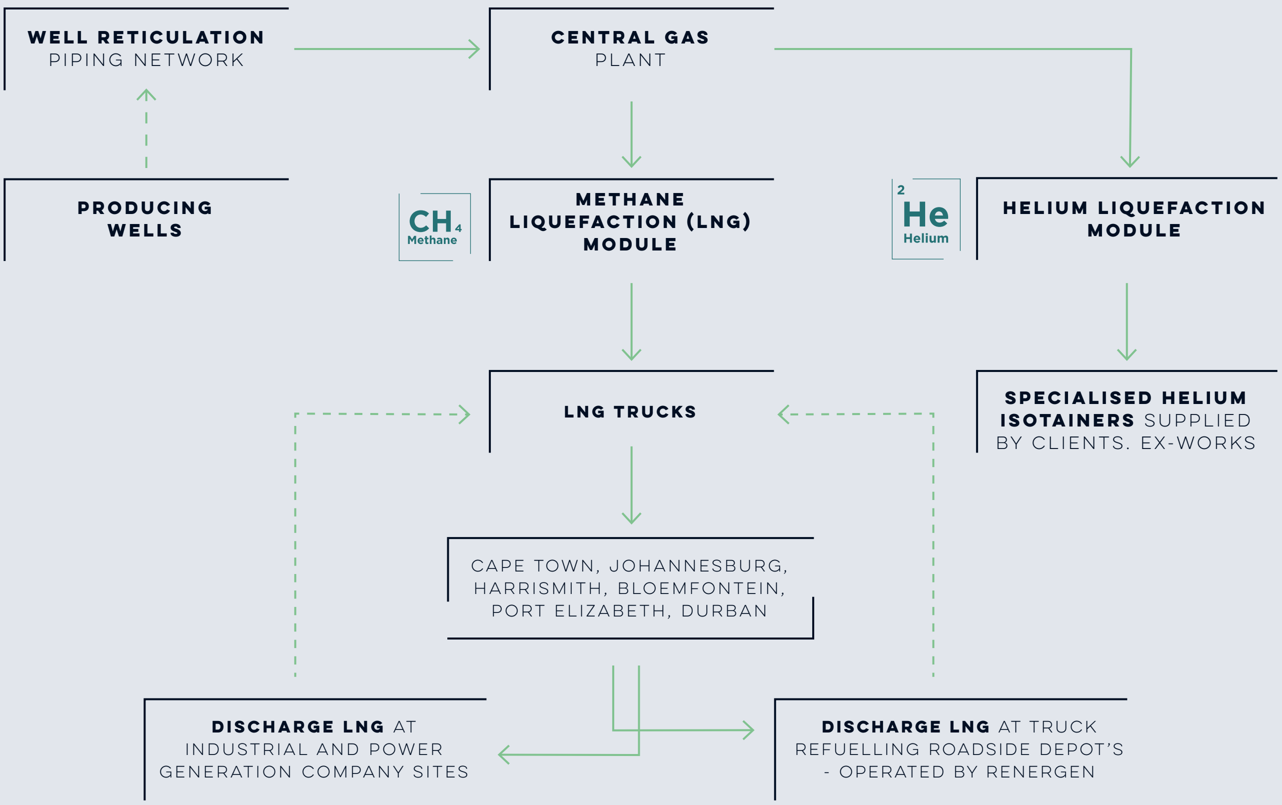
We intend to distribute LNG via modular mobile refuelling facilities, located on leased, vacant land on established trucking routes.

The technology for these facilities is very common, allowing Tetra4 the benefit of selecting between many suppliers and on short notice.

Tetra4 proposes to rollout mobile refuelling facilities sufficient to distribute its expected medium term production capacity.

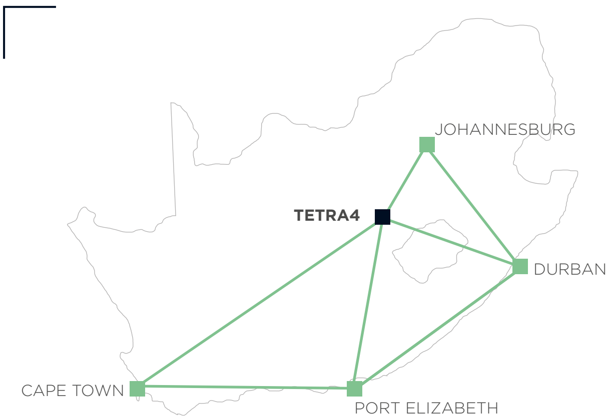
To expedite the rollout process, Tetra4 proposes to locate refuelling facilities along South Africa's major motorways:

PLANT FLOWSHEET AND SALES CYCLE



- Johannesburg to Durban
- Johannesburg to Cape Town (via Bloemfontein)
- Midway Bloemfontein / Cape Town
- Durban to Bloemfontein
- Johannesburg to Port Elizabeth

Truck manufacturers may see LNG as a differentiator providing significant marketing value for their brand and, as a result, Tetra4 will work with willing manufacturers to approach the manufacturer's existing customer base proposing a switch over from diesel to LNG when the trucks reach their end of warranty period.



HELIUM PROCESSING AND PRODUCTION

Helium is usually produced as a by-product of natural gas processing. In processing Tetra4's helium, the natural gas will be reticulated to the New Plant by a network of gathering pipelines. The pipeline is designed to operate at low pressure. Once the gas arrives at the central processing facility, it is dried and all particles and residual contaminants removed. The gas will then enter the cryogenic LNG and liquid helium processing facility.

The pipeline has designed to cater for significant growth and additional capacity along the main trunk line. As a result, only feeder lines will be required from the wellheads of the new wells, drilled during stage two of the proposed expansion of the Virginia Gas Project.

1 A preliminary feed gas treatment step for removal of carbon dioxide and hydrogen sulphide, mercury and water and atmospheric temperature

2 A LNG liquification step for removal of majority of methane and hydrocarbon heavies and producing a helium-rich flush gas

3 A nitrogen liquification step for removal of nitrogen and methane and producing a cold stream of distiliation of residual methane removal

4 A helium refrigiation/liquification step to produce high purity of helium liquid and cold stream for removal of residual nitrogen in a condensing/ evaporation process

5 A further liquification step for productio of high grade liquified helium (LHe)

Steps (1) and (2) are processes completed in the LNG plant while steps (3), (4) and (5) are the processes in the helium plant.

OUR STAKEHOLDERS

THE SUCCESS OF RENERGEN'S STRATEGY IS LARGELY DEPENDENT ON THE RELATIONSHIPS WE HAVE WITH OUR INVESTORS, LENDERS, SUPPLIERS, CUSTOMERS, REGULATORS, EMPLOYEES AND COMMUNITIES IN WHICH WE OPERATE.

An all-inclusive approach of engagement with stakeholders is an integral part of developing our understanding of the needs, benefits and expectations of material stakeholders over time. To achieve sustainable value creation, we must address the interests of all stakeholder groups that are likely to have a direct and indirect material influence on our business. In addition, establishing and maintaining constructive relationships with our stakeholders, enhances Renergen's ability to identify and address opportunities and risks.

Effective stakeholder engagement is crucial for the growth of the Group and is also an essential component of sound governance. For further details please refer to the King IV Application on page 57. The Board delegates responsibility for managing stakeholder engagement and implementing the Renergen's formal stakeholder engagement framework to the respective management teams.

MATERIAL STAKEHOLDER INTERESTS	MATERIAL INTERESTS	HOW WE ENGAGE	COMMITTEE OF THE BOARD
Shareholders and potential future investors	Return on investment (ROI) Operational performance Strategy execution Compliance with regulatory requirements	Annual General Meeting (AGM) One-on-one meetings SENS announcements Investor presentations Dedicated investor relations email address Integrated Annual Report	Renergen Exco Audit, Risk and IT Committee GETSC Committee
Financiers	Liquidity and sustainability Capital management Project execution Sustainability Risk management	Reporting/investor briefings Integrated Annual Report	Renergen Exco Audit, Risk and IT Committee
Employees and contractors	Job security Fair remuneration Skills development Favourable working conditions Health and Safety Standardisation of processes and operating procedures	Newsletters Regular meetings Training and Development goals Performance appraisals Market related compensation	GETSC Committee Audit, Risk and IT Committee
Government (national and local) and regulators	Employment equity Environmental impact Social Labour Plan (SLP) Safety Compliance with relevant legislation and regulations	Monthly reporting to regulator Regular scheduled engagements with the regulators	Renergen Exco GETSC Committee Audit, Risk and IT Committee
Customers	Operational efficiency and productivity Competitive pricing Security of goods and services Delivery of agreed product	Operational meetings with our customers	Renergen Exco
Suppliers and service providers	Transparency of procurement processes Ethical conduct	Procurements Policy UN Global Compact Principles Organisation for Economic Co-operation and Development's (OECD) recommendations Equity Act Broad-based Black Economic Empowerment Act	Renergen Exco

MATERIAL ISSUES, RISKS AND OPPORTUNITIES

MATERIAL ISSUES HAVE THE POTENTIAL TO AFFECT THE DELIVERY OF STRATEGY AND OUR ABILITY TO CREATE VALUE IN THE SHORT-, MEDIUM- AND LONG-TERM. IDENTIFYING MATERIAL ISSUES IS AN ONGOING PROCESS THAT ENCOMPASSES ASSESSING THE EXTERNAL ENVIRONMENT AND KEY RISKS AND OPPORTUNITIES, CONSIDERING OUR STAKEHOLDERS INTERESTS AND CONCERNS, AND ALIGNING THESE TO OUR STRATEGY.

Renergen's Board is ultimately accountable for the effective management of risks and has adopted an enterprise-wide risk management (ERM) framework and approach to managing risk exposures. The Audit, Risk and IT Committee, on behalf of the Board, is responsible for the successful implementation and ongoing monitoring of the risk management framework.

Strategic, business and operational risks are identified through a structured and systematic process, which also highlights opportunities. The Group's risk appetite and tolerance levels are updated annually. Risk management is underpinned by sound governance and regulatory frameworks. Business risks, governance, and sustainability are all managed in a single system. This provides an enterprise resource planning solution and assists in automating key business functions in financials and operations.

The following table is a summary of key opportunities and risks that Renergen is exposed to. Key risks are identified based on an assessment of a combination of the probability of the risk occurring and the impact of the risk if it did occur.

OPPORTUNITY	DESCRIPTION
Helium opportunities	Renergen will seek additional opportunities in the upstream helium and natural gas sector to complement its growth strategy. Supply versus demand for helium is becoming increasingly favourable to Tetra4's prospects in entering the global helium supply market.
Large LNG market in South Africa – particularly for the transportation industry	Demand for Tetra4's LNG is expected to significantly exceed its production capacity, given that South Africa lacks LNG import infrastructure and has no other access to LNG.
Early stage natural gas fields	Renergen will look for opportunities to consolidate similar early stage natural gas fields with the ambition of building a large-scale South African natural gas company with diversified revenue streams. Tetra4 also holds the Evander Exploration Right. Although Renergen has not begun exploration, existing drill holes drilled by others exploring for minerals, are producing natural gas. The Evander Exploration Right also has a significant number of additional sites that show indications of natural gas.

RISK	DESCRIPTION
Construction and new production facilities	The construction and commissioning of any new facility is dependent on a number of contingencies, some of which are beyond the Company's control. These contingencies include but are not limited to: securing access to new production sites that are appropriate for the intended use, obtaining all necessary licences and permits, accessing additional labour, drilling programmes running over time and budget, and securing the delivery of production machinery from third party manufacturers of the scale required in a cost and time effective manner. The Company has mitigated a number of these risks, such as by obtaining all licences and permits and securing the site on which to build the New Plant. The cost projections for the New Plant are dependent upon certain assumptions, estimates and judgements which may prove to be inaccurate or unreliable. There is a risk that significant unanticipated costs or delays could arise due to errors or omissions, unforeseen technical issues (such as major equipment failures), increases in plant and equipment costs, inadequate contractual arrangements, labour difficulties or unusually adverse weather conditions. Should significant unanticipated costs or delays arise, this could have a material adverse impact on Renergen's business, financial performance and operations. Renergen's expansion of production may also place increased demand on Renergen's management, operating systems, internal controls and physical resources. If not managed effectively, these increased demands may adversely affect Renergen's financial position and ability to meet customer demands. In addition, Renergen's personnel, systems, procedures and controls may be inadequate to support future operations. In order to manage this expansion effectively, Renergen may need to increase expenditures to increase its physical resources, expand, train or manage its employee base, and improve management, financial and information systems and controls. Renergen's results of operations, financial condition and growth objectives are likely to be materially adversely affected if it is not able to manage effectively the budgeting, construction, forecasting or other process control issues presented by scaling up its operations.

RISK	DESCRIPTION
Regulatory risks, including environmental and mining regulation	Renergen's operations are subject to a number of environmental laws and regulations. Customers, competitors, members of the general public or regulators could allege breaches of legislation or regulations in the relevant jurisdictions in which it operates. This could result in remedial action or litigation, which could potentially lead to the Company being required to pay compensation or a fine. The Company's current and future operations may also become subject to additional regulatory requirements beyond those currently applicable, such as more stringent environmental or other licensing and reporting obligations, which would increase the costs and resources associated with regulatory compliance. Any such increase in the costs and resources associated with regulatory compliance could impact upon the Company's revenues. In addition, if regulators took the view that the Company had failed to comply with regulatory requirements, this could lead to enforcement action resulting in public warnings, infringement notices, and the imposition of a pecuniary penalty or even withdrawal of operating permissions. This could lead to significant damage to the Company's reputation or ability to operate, and consequently an adverse impact on its business and financial performance. As environmental laws and regulations become more complex and stringent, Tetra4's environmental management plans and/or programmes and other environmental licences may be the subject of increasingly strict interpretation or enforcement or become more comprehensive and could result in increased capital or operating expenditure or financial or other penalties and/or the suspension or loss of its production rights. Changes in industry laws and regulations also pose a risk to the Company. The occurrence of any of these risks could have a material adverse effect on the Tetra4's business, financial condition, results of operations and prospects.
Investment in emerging markets	The South African economy is vulnerable to market downturns, currency fluctuation and economic slowdowns elsewhere in the world, and, generally, investing in emerging markets such as South Africa involves greater risk than investing in more developed markets, including in some cases significant legal, economic and political risks. Emerging markets such as South Africa are subject to rapid change. Global financial or economic crises in any large emerging market country tend to adversely affect prices in equity markets of most or all emerging market countries as investors move their money to more stable, developed markets. As has happened in the past, financial problems or an increase in the perceived risks associated with investing in emerging economies could dampen foreign investment in South Africa and adversely affect the economy. In addition, during such times, businesses that operate in emerging markets can face severe liquidity constraints as foreign funding sources are withdrawn.

MATERIAL ISSUES, RISKS AND OPPORTUNITIES

RISK	DESCRIPTION
Interruptions to operations	Renergen is exposed to short, medium or long-term interruptions to its operations arising from events including industrial disputes, electricity and gas interruptions, work stoppages, acts of terrorism, fires, floods, earthquakes and other natural disasters. In addition, Renergen's production facilities may not function reliably, efficiently or cost effectively, resulting in fewer helium and LNG products produced than planned, of lesser quality or at higher than expected costs. Renergen is particularly exposed to these interruptions, given it currently only operates the CNG Plant. Renergen is also exposed to such events in relation to the proposed New Plant and any future additional plants. Any such interruption could have a material adverse effect on Renergen's business, operating or financial performance.
Inability to attract customers	Historically, Renergen has sold its products on a small scale to a limited number of customers. The success of Renergen's growth strategy is highly dependent upon securing additional customers for Renergen's products on a larger scale and converting trial or pipeline customers, including its strategic relationships with Megabus, into ongoing revenue-producing commercial supply relationships. Renergen has sought to mitigate a number of these risks by entering into a helium supply agreement with Linde Global Helium and agreements for the supply of natural gas generated by the New Plant (once in operation) with Megabus; South African Breweries, a subsidiary of Anheuser-Busch and Black Knight Logistics. Renergen's ability to do this will be dependent on whether it is able to meet customer demands in terms of quality, price, volume and functional requirements. There is no guarantee that Renergen will be able to do any of these things.
Exposure to commodity prices	The price that Tetra4 achieves or may achieve for its helium and LNG products will be impacted by global commodity prices. Any material decline in oil and gas prices could result in a reduction of Renergen's net production revenue and overall value. The price that Tetra4 achieves and/or may achieve for its helium and LNG products will be impacted by global commodity prices. Historically, commodity prices have fluctuated and are affected by numerous factors beyond the Company's control, including global demand and supply, weather conditions, the price and availability of alternative fuels, actions taken by governments and international cartels, the cost of freight, international economic trends, currency exchange fluctuations, expectations for inflation, speculative activity, consumption patterns and global or regional political events. The aggregate effect of these factors is impossible to predict. Fluctuations in commodity prices, over the long term, may adversely impact the returns from the Company's investments. International oil and gas prices have fluctuated widely in recent years and may continue to fluctuate significantly in the future. Sustained downward movements in oil and gas prices could render less economic, or wholly uneconomic, some or all of the exploration and the existing, and potential future, oil production related activities to be undertaken in respect of those assets in which the Company has an interest. Any material decline in oil and gas prices could result in a reduction of the Company's net production revenue and overall value. The economics of producing from some wells may change as a result of lower prices, which could result in a reduction in the volumes produced from the Company's assets. All of these factors could result in a material decrease in the Company's net production revenue causing a reduction in its acquisition and development activities. A substantial material decline in prices from historical average prices could also reduce the Company's ability to borrow future funds.
Sufficiency of funding and working capital	The Directors believe that, on completion of the secondary listing, the Company will have sufficient working capital to carry out its objectives as stated in this Prospectus. The Directors do not expect that the Company will need to raise more equity or debt finance (other than the OPIC committed facility) in the next 12 months. There can be no assurance that such objectives can be met or that no further funding will be required. Additional funds may be difficult to raise or may be dilutionary to the then existing Shareholders.

HOW WE CREATE VALUE

OUR VALUE CREATION MODEL REPRESENTS HOW WE MANAGE OUR RESOURCES AND RELATIONSHIPS TO CREATE SUSTAINED VALUE FOR ALL OUR STAKEHOLDERS.

OUR BUSINESS MODEL

The resources and relationships encompass the six capitals, as defined in the International Integrated Reporting Committee's Framework for Integrated Reporting – financial, manufactured, intellectual, human, social and relationship, and natural capital. The inputs of each capital underpin the delivery of our strategy. Through our business activities the six capitals are increased, decreased and transformed into outputs and outcomes that represent the creation of value for all stakeholders.

The following information would be used in an infographic of the integrated business model, in line with International Integrated Reporting Committee's Framework for Integrated Reporting.

NATURAL CAPITAL

OUR NATURAL RESOURCES

Our natural capital includes the mineral resources and reserves, which we extract and beneficiate to supply renewable, cleaner energy for the South African transport market and helium for the global helium market.

KEY NATURAL CAPITAL INPUTS	KEY METRICS / SALIENT FEATURES
Proven natural gas reserves	162 billion cubic feet (Bcf) of Proven and Probable
Independent reserve valuation	R9.8 billion 2P at 15%
Renewable resource of gas of unique origin	The gas is a combination of biogenic (produced by bacteria) and thermogenic (from the earth's mantle), which is classified as renewable due to the bacterial action renewing the gas
Very high quality gas	>90% methane, no other alkanes or condensates
Exceptionally high Helium content	On average 3.4% and up to 11%
Helium reserves	Proven and Probable helium reserves of close to 9.2 million kilograms

FINANCIAL CAPITAL

OUR FINANCIAL CAPITAL

The funding acquired from various capital providers, which is used to invest in our strategy and business operations, as we aspire to fulfill our stakeholder needs.

KEY FINANCIAL CAPITAL INPUTS	KEY METRICS / SALIENT FEATURES	
	2019	**2018**
Group Revenue	**R2.99 million**	R2.89 million
Group Stated Capital	**R301.2 million**	R161.1 million

MANUFACTURED CAPITAL

OUR INFRASTRUCTURE AND EXTRACTION ACTIVITIES

Our manufactured capital includes the infrastructure required to extract, process and distribute our products.

KEY MANUFACTURED CAPITAL INPUTS	KEY METRICS / SALIENT FEATURES
Low cost producer	Very low-pressure wells that can be drilled to 400 meters in depth using standard percussion drilling
12 existing economically viable wells	No further drilling required to achieve stage one in expansion the New Plant, although additional drilling will be undertaken to increase capacity
Engineering design of gas gathering system	Completed
Producing and selling CNG on a small scale from existing CNG Plant at the Virginia Gas Project	200 GJ per day of gas from one well and includes a compression station, mobile storage units and a dispensing station at Megabus
Commissioning of first commercial LNG and liquid helium extraction plant in South Africa	Competitive bidding process completed and preferred vendors have been selected

INTELLECTUAL CAPITAL

OUR INTELLECTUAL CAPITAL

Intellectual capital encompasses the collective body of intellectual assets at our disposal that enable us to create value for all our stakeholders.

KEY INTELLECTUAL CAPITAL INPUTS	KEY METRICS / SALIENT FEATURES
Tetra4 owns multiple Rights	Virginia Gas Project 30-year Production Right, with 23 years remaining Virginia Gas Project Exploration Rights Evander Exploration Rights, which has two wells currently blowing
Sustainability, risk management, assurance and governance structures	Adopted King IV in 2018
Effective decision-making	Embedded strong governance, proactive risk management

HUMAN CAPITAL

OUR PEOPLE

Our human capital is the skills, productivity, safety and wellbeing of our employees, who in turn are critical to implementing Renergen's growth strategy and ensuring the necessary compliance.

KEY FINANCIAL CAPITAL INPUTS	KEY METRICS / SALIENT FEATURES
Diverse workforce	23 employees 56% black employees 17% black senior and top management 1 female black Director
Experienced management team with a strong track record in natural gas project development	Management team responsible for developing the Tetra4 asset from as early as 2013 and are considered pioneers of the local onshore upstream, midstream and downstream natural gas industry
Effective agile leaders	Enables effective and flexible implementation of strategy
Constructive and effective working relationships with all our employees	Retained the skills we require Policies implemented to ensure conducive work environment Racism and Racial Harassment Policy Diversity and Inclusion policy Health and Safety Policy Sexual Harassment Policy
Commitment to ensuring a safe work environment	Implemented an Accidental Death and Disability Policy for our employees Zero injuries on duty Training on health and safety Provide appropriate personal protection equipment (PPE)
Talent management	Bonus Share Plan (BSP) scheme in place to reward excellent performance and retain key staff members

SOCIAL & RELATIONSHIP CAPITAL

QUALITY STAKEHOLDER RELATIONSHIPS AND MAJOR REGULATORY APPROVALS

Our stakeholders include, our employees, shareholders, creditors, customers, suppliers and regulators and government, as well as the communities in which we operate. Our social licence to operate and establishing full-scale production is contingent on meeting regulatory requirements.

KEY SOCIAL AND RELATIONSHIP CAPITAL INPUTS	KEY METRICS / SALIENT FEATURES
Tetra4 is currently the only onshore producer of natural gas in South Africa	Natural gas produced and sold as a fuel substitute has a low carbon footprint. Natural gas is a cleaner source of energy
Received all regulatory approvals required to move into full-scale production	Environmental authorisation for the expansion issued on 29 September 2017
Applied for an integrated water use license under the South African National Water Act 36 of 1998	The water use licence was granted on 22 January 2019
Helium product under an offtake agreement with Linde Global	Concluded
Educational bursaries	High school students and tertiary education bursaries awarded to students
Learnerships and experiential training	Tertiary students offered experiential training Learnerships offered to graduates Previous trainee offered permanent employment

OUR BUSINESS ACTIVITIES THROUGH WHICH VALUE IS CREATED

- Exploration
- Production of CNG
- Stage one project investment and execution

OUTPUT: WHAT WE PRODUCED

- Approximately R750 million total capital raised for the expansion of Virginia Gas Project
- Environmental Authorisation to construct all mid-stream and downstream facilities
- Tetra4 has met all regulatory deliverables
- Independent Market Reports
- Up to 200 GJ per day of gas for CNG
- Social and labour programme that is regulated under the Petroleum Agency of South Africa
- In excess of 2300 tons of co2 emission have been saved to date

OUTCOMES: OUR IMPACT

- A less carbon-intensive substitute for South Africa's existing transport fuel, thermal fuel and power
- Reducing the country's fuel imports
- Increasing the country's exports
- Economic stimulation in an area in South Africa in need of economic stimulus
- Attracted significant foreign direct investment into South Africa

03

LEADERSHIP REVIEW

MR STEFANO MARANI (41)

OUR BOARD

EXECUTIVE DIRECTORS

Managing Director and Chief Executive Officer

BSc Actuarial Science; BSc Hons in Advanced Mathematics of Finance

Stefano is the Chief Executive Officer of Renergen and its subsidiary Tetra4. He was part of the team which acquired Tetra4 from Molopo Energy Limited in October 2013 and has been involved with the company in a management role since October 2013.

Stefano has significant experience in the areas of structured finance and advisory. After completing his formative training with Deutsche Bank, Stefano was recruited by Morgan Stanley in London, where he was ultimately charged with building their sub-Saharan African fixed income capital markets business, before starting his own business in 2009.

Appointed 20 November 2014

THE DIRECTORS BRING RELEVANT EXPERIENCE AND SKILLS TO THE BOARD, INCLUDING INDUSTRY AND BUSINESS KNOWLEDGE, FINANCIAL MANAGEMENT AND CORPORATE GOVERNANCE EXPERIENCE

MS FULUFHEDZANI (FULU) RAVELE (32)

Executive Director and Chief Financial Officer

B Com Financial Accounting; Postgraduate Diploma in Accounting; CA(SA), Applied Financial Management (Wits Business School), CIMA Adv Dip MA (CIMA advanced diploma in management accounting)

Fulu obtained her CA(SA) qualification with Deloitte South Africa in 2012. She has experience in financial accounting, internal and external audit. After qualifying as a CA(SA), she was seconded to Deloitte LLP Los Angeles office as an audit senior. Fulu was appointed as a management accountant at Barclays Capital South Africa in June 2013, where she focused on reporting financial results for Corporate and Investment Banking (CIB) South Africa and the rest of Africa.

Fulu joined Tetra4 as Financial Director in July 2015 and was appointed to the Board of Renergen as Renergen's full time financial director in November 2015 following the acquisition of Tetra4 by Renergen.

Appointed 25 November 2015

MR NICK MITCHELL (40)

Executive Director and Chief Operating Officer

Microsoft Certified Systems Engineer (MCSE), A+ Certified

Nick was instrumental in the acquisition of Tetra4 from Molopo Energy Limited in October 2013. He was appointed to the Board of Renergen in November 2015 following the acquisition of Tetra4 by Renergen.

Since Renergen's acquisition of Tetra4 Nick has served as COO for Renergen and Tetra4 and has worked closely with Stefano Marani (CEO) to establish the business plan, raise the requisite funding from both the equity and debt markets. He is an experienced Director with a demonstrated history of working in the energy and infrastructure sectors across Sub-Saharan Africa. He is focused on early stage company and project development and strong in operations, sales and has proficiency in IT systems.

Nick is also the current Chairman for the Onshore Petroleum Association of South Africa (ONPASA) which represents the upstream onshore petroleum industry in South Africa.

Appointed 25 November 2015

MR BRETT KIMBER (58)

Non-Executive Chairman, Independent

BSc Hons Mineral Economics; BSc Hons Geochemistry

Brett is currently the CEO of Eazi Access Rental Pty Ltd. He stepped down as Managing Director of African Oxygen Limited in January 2015 after a twenty-five-year career in the broader Linde Group across Asia, the US and South Africa.

He graduated with a BSc Hons Geochemistry in 1987 and joined Anglo American in 1988 as a senior research geologist before joining the then BOC Group (now The Linde Group) in 1990 where he served in various capacities.

Appointed 17 June 2015

DR DAVID KING (72)

Non-Executive Director, Independent

PhD; MSc; FAusIMM; FAICD

David is a professional geoscientist and has over 38 years' experience in oil and gas and other natural resources industries. He holds an MSc in Geophysics from Imperial College, London, and a PhD in Seismology from the Australian National University, Canberra.

David has held various Board positions with ASX listed oil and gas exploration companies. He has also served as Managing Director of ASX listed gold producer North Flinders Mines, CEO of oil & gas producers Beach Petroleum and Claremont Petroleum, and Chairman of Robust Resources Ltd. David is currently Non-Executive Director of ASX listed Galilee Energy Limited and Tap Oil Ltd; Chairman of ASX listed company Cellmid Limited, and Oslo Axess listed African Petroleum Corporation Limited; and Chairman of AIM listed Litigation Capital Management Limited.

David is a Fellow at the Australian Institute of Company Directors, the Australian Institute of Geoscientists, and Australasian Institute of Mining & Metallurgy.

Appointed: 4 June 2019

MR MBALI SWANA (62)

Non-Executive Director, Independent

Bas (UCT); BArch (UCT); Pr Arch (SA); MIAT (SA)

Mbali is the chief executive officer of Prop5 Corporation Proprietary Limited, a turnkey-built environment infrastructure and engineered products developer which he founded in 1986. Mbali has significant experience in implementing large scale projects across Africa and is currently developing Prop5's Africa-wide strategy for the development of infrastructure.

Appointed 16 February 2015

INDEPENDENT NON-EXECUTIVE DIRECTORS

MR LUIGI MATTEUCCI (65)

Non-Executive Director, Independent

CA(SA); B Com (Wits); CTA (Wits)

Luigi actively consults on strategic and business development initiatives in the mining and engineering field. He served in senior management positions and as Financial Director of Highveld Steel and Vanadium Corporation Limited for 18 years up to 2007 where he implemented successful cost reduction and efficiency strategies.

Appointed 16 February 2015

DR BANE MALEKE (68)

Non-Executive Director, Independent

BA. MBA and PhD

Bane holds an MBA from Dalhousie University (Canada) and a Ph.D. Strategic Management, from the University of Bath (UK). He spent 20 years in senior management at the Development Bank of South Africa and held the position of Regional Executive for the Southern African Development Community and East Africa Regions.

Appointed 7 December 2016

FRANCOIS OLIVIER(48)

Non-Executive Director

CA(SA), CFA, B.Com (Hons) University of Pretoria

Francois Olivier is a portfolio manager and executive committee member at Mazi Asset Management. He has 19 years of investment research and portfolio management experience, the first seven of which were spent in the USA.

Appointed 19 November 2018

CHAIRMAN AND CEO'S REPORT

RENERGEN ACHIEVED PIVOTAL MILESTONES IN THE 2019 FINANCIAL YEAR THAT HAVE FIRMLY SET THE VIRGINIA GAS PROJECT ON TRACK TO COMMENCE FULL SCALE COMMERCIAL PRODUCTION OF LIQUID HELIUM AND LNG BY 2021.

All regulatory approvals required for the planned expansion of the Virginia Gas Project, are in place. Stage One has been fully funded through a R125 million rights issue in November 2018 and the committed debt funding of US$40 million (R554 million) from US government development finance institution Overseas Private Investment Corporation (OPIC). We ended the 2019 well positioned to take the Tetra4 project to the next level and start realising the growth potential of this world-class deposit for the benefit of stakeholders. Our recent listing on the ASX on 6 June 2019, raised a further A$10 million (R105 million), which will support expansion of capacity at the New Plant and the commercialisation of the high concentration helium reserves in the medium-term.

As at 6 June 2019, the aggregate number of shares issued on both JSE and ASX was 112 635 752.

LISTING ON THE ASX

The listing on the ASX, is expected to improve liquidity in the shares due to an investor pool with a deep understanding of the oil and gas sector. The ASX IPO was met with great enthusiasm, amongst investors interested in gaining exposure to helium as a commodity. We raised twice the minimum subscription. The ASX is very well geared towards small cap, junior miners and oil and gas exploration. There is considerable appetite for these stocks among the investor community. Exposure to helium, is particular compelling as it is a rare, finite commodity with strong demand and supply fundamentals.

RESOURCE REVIEW

In March 2019, MHA Petroleum Consultants, a qualified reserve evaluator, updated Tetra4 gas reserves, indicating an increase of total proven methane reserves of 12.2% and 16.1% in helium proven reserves since March 2018. Economic valuation was up 16.4% to R9.8 billion using a discount of 15% for proven and probable reserves. Ongoing work relating to the shallow conventional "White Sandstone" discovered helium concentration are up to 11%. This refers to the discovery of a sandstone trap of about 120 km^2 in addition to our proven reserves. Helium concentration of these levels makes this one of the richest recorded globally. The average is 3.4%, with helium becoming economically viable to extract from natural gas at concentrations as low as 0.1%.

During the year under review, prospects in the helium market improved exponentially. The disparity between increasing global demand for helium and decreasing global supply was exacerbated as a strategic helium reserve in Texas, US, which supplies a significant portion of the world's helium, ceased commercial supply. In response, the US Department of Interior declared helium as one of the most critical elements to US National Security, which then saw crude helium prices soar over 135% from the previous year at the annual BLM helium auction, and resulted in significant international interest in Renergen's New Plant Project which enjoys concentrations of helium far above other helium producers.

OPIC FUNDING REPRESENTS KEY ENDORSEMENT

OPIC supports American businesses investing in emerging markets by mobilising private capital to help solve critical development challenges, while also furthering US foreign policy and national security priorities. OPIC's endorsement of the Tetra4 project is symbolic of how far this project has progressed and the state to which it has been de-risked. In addition, securing funding from OPIC for the development of the Virginia Gas Project, highlights the development impact of the project. We are proud to be playing an important role in advancing the development of alternative energy sources in the country. The development of our infrastructure is aligned to the South African government's gas utilisation master plan, which aims to increase natural gas usage and reduce the country's reliance on coal and diesel imports.

PERFORMANCE REVIEW

Renergen's delivered a solid performance for the year despite the persistent, weak macro-economic environment in South Africa impacting operating conditions. Uncertainty ahead of the May elections in South Africa also took its toll, as investors delayed investment decisions until after the elections. The volatile rand and rising oil prices battered consumer confidence. Globally trade tensions between the US and China hit emerging markets hard, further exacerbating an already difficult environment.

Revenue for the year increased by 3% to R2.99 million, compared to R2.89 million in the previous year on the back of higher diesel prices due to a weaker rand and higher oil prices. The rising oil prices led to an increase in margin on the pilot plant which ultimately resulted in Renergen showing its first gross profit for a semi-annual period, ending August 2018. Improved cost efficiencies delivered a 9% decrease in the cost of sales to R3.2 million (February 2018: R3.5million). Capital raised in preparation of the planned pipeline construction, resulted in an increase in the cash balance from 28 February 2018. R9.5 million was spent on plant, machinery and equipment for the engineering of Tetra4's Virginia operating plant expansion. R3.8 million was spent on gas exploration.

OPERATIONAL REVIEW

VIRGINIA

Tetra4's CNG Plant has been in operation since May 2016, replacing diesel by supplying less carbon-intensive natural gas to Megabus, a division of KAP Industrial Limited, at its depot in Virginia. The plant has been operating at optimal capacity with positive results. Gas has been supplied to the Megabus operations for several months. Feedback from customers has been positive as the operator is benefiting from lower the fuel cost.

A new CNG dispenser and additional CNG trailer have been imported to commence dispensing CNG to an additional site in Johannesburg to 15 trucks on dual fuel, which should materially increase current revenues. It is anticipated the new CNG dispensing operation will commence by the third quarter of the February 2020 financial year.

We also secured a strategic agreement with Black Knight Group for the sale of LNG to fuel approximately 100 trucks, significantly reducing carbon emissions and operator costs and improving vehicle maintenance. Black Knight has 20 years' experience in the fuel industry, distributing fuel products across South Africa and the wider SADC region. In recent years, Black Knight Group has developed a logistics division aimed at providing holistic fuel solutions for clients.

Using LNG has multiple benefits for the operators. Independent trials have shown a more than 26% reduction in fuel costs. There are also associated savings from a maintenance perspective. Service intervals can increase to 90 000 km if run exclusively on LNG. In addition, there is approximately 30% reduction in greenhouse-gas emissions when running trucks on dual fuel and closer to 60% when running exclusively on gas.

EVANDER

We continue to enjoy good prospects on this field and are proceeding with the necessary steps to bring this field into production.

SAFETY

We are happy to report that we had a fatality free and injury free year. Through our integrated environmental, health, safety and quality system, we are able to track all our incidents, date occurred and assign any action necessary. This past year, there were no injuries on duty.

GOVERNANCE REVIEW

The Renergen Board has adopted King IV and subscribes to achieving the principles, practices and governance outcomes that interact as follows:

- Ethical culture
- Good performance
- Effective control
- Legitimacy

Our King IV Report is no longer a checklist, but a full Report.

We are proud of our Board's collective commitment to leading ethically, acting in good faith and in the best interests of the business. The Board's assumption of responsibility for the governance and ethics includes an approved Code of Conduct and Ethics, which is governed and monitored by the GETSC Committee.

Renergen continuously reviews and revises its policies and controls where necessary in order to optimise our governance standards, the following policies were reviewed over the past year:

- Remuneration Policy
- Corporate travel Policy
- HR Policies

CHANGES TO THE BOARD

Following the successful rights issue, the Board welcomes Francois Olivier to the Board as a non-executive director. Francois is very experienced in investment research and portfolio management.

In conjunction with the ASX listing, the Board also appointed Dr David King to the Board as an independent non-executive director, effective 4 June 2019.

These appointments add new dimension to our Board and will aid the Executive team in developing the company strategy in order to unlock returns for all of our shareholders.

IDC

A provision of R5.8 million has been raised for commitment and administration fees incurred on the IDC funding agreement

OUTLOOK

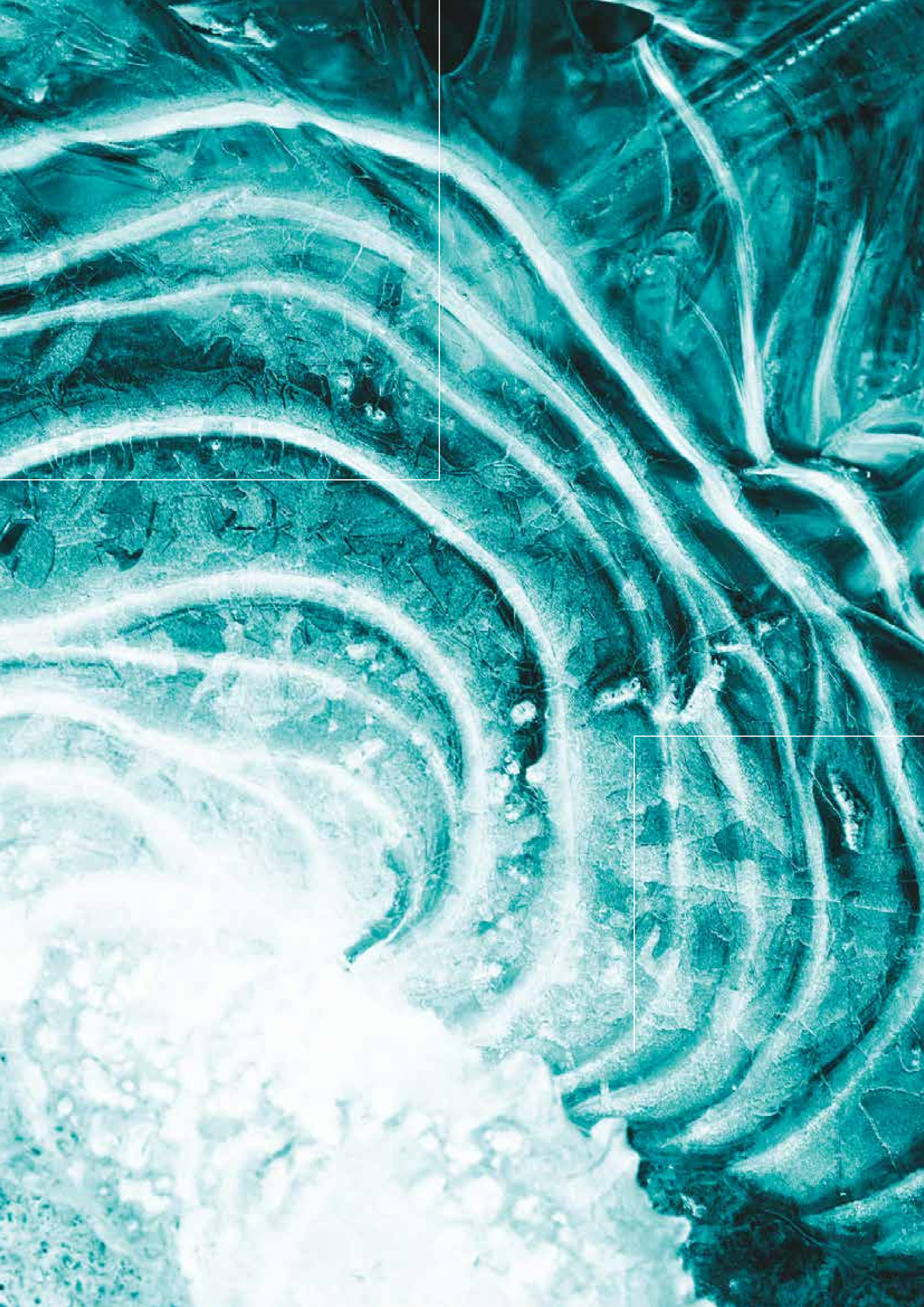
Once the pipeline and plant construction is complete, the level of production will see revenue significantly exceeding costs, and thus from February 2022, Tetra4 should be in a gross profit generating position owing to our low upstream cost of production and the high cost of energy in South Africa. Being a first mover in a premium product such as LNG also means that we can command better prices that would otherwise be available to gas suppliers.

04

CORPORATE GOVERNANCE REPORT

RENERGEN'S BOARD OF DIRECTORS IS COMMITTED TO ADHERING TO THE HIGHEST STANDARDS OF CORPORATE GOVERNANCE IN THE CONDUCT OF ITS BUSINESS

Renergen's governance and risk framework is based on the principles of accountability, transparency, ethical management and fairness. A philosophy of sound governance is entrenched across the business. The Directors recognise that good governance, achieved through an ethical culture, competitive performance, effective control and legitimacy, can create sustainable value and enhance long-term.



OUR GOVERNANCE STRUCTURE

RENERGEN BOARD

Executive Directors

Stefano Marani (CEO)
Fulu Ravele (CFO)
Nick Mitchell (COO)

Non-executive Directors

Francois Olivier

Independent Non-executive Directors

Brett Kimber (Chairman)
Mbali Swana
Luigi Matteucci
Bane Maleke
David King

4 meetings per annum

The Board of Directors ("the Board") provides strategic leadership to the Group with due regard to all stakeholders. They determine the Group's purpose and values while providing leadership aligned to the Group's value system to ensure the sustainability of the business.

The Board is diverse in demographics, skills and experience and consists of six non-executive directors, the majority of whom are independent, and three executive directors.

To improve the Board's effectiveness, evaluations of the Board, individual Directors, Board Committees and the Chairman are carried out annually.

AUDIT, RISK AND IT COMMITTEE (AUDIT COMM)

Independent Non-executive Directors

Mbali Swana (Chairman until February 2019 but remained a member)

Luigi Matteucci (Independent member and appointed as Chairman from February 2019)

Bane Maleke (Member)

3 meetings per annum

The Audit, Risk and IT Committee oversees the governance of the risks associated with the implementation of Renergen's strategy. It is the duty of the Audit, Risk and IT Committee, inter alia, to monitor and review:

- Evaluation of the performance of the Chief Financial Officer
- Annual integrated financial reports, statements and all other widely distributed financial documents
- Accounting policies of the Group and any proposed revisions
- Compliance with applicable legislation, King IV, JSE and ASX Listing Requirements
- Evaluation of external auditors and recommendation of external auditor appointments
- Compliance with International Financial Reporting Standards (IFRS)
- That consideration has been given to the JSE Proactive Monitoring letter dated 20 February 2019 when preparing the Annual Financial Statements. An IFRS expert has been appointed in this regard

GOVERNANCE, ETHICS, TRANSFORMATION, SOCIAL & COMPENSATION COMMITTEE (GETSC)

Executive Directors

Nick Mitchell (COO)*

Independent Non-executive Directors

Mbali Swana (Appointed as Chairman in February 2019)

Luigi Matteucci (Chairman until February 2019 but remained a member)

Brett Kimber

Bane Maleke

2 meetings per annum

The Committee is responsible for reviewing and recommending the Remuneration Policy and philosophy. The Committee acts in terms of the delegated authority of the Board and assists the Directors in monitoring social, transformation and ethical matters and disclosures in terms of legislation, regulation and codes of best practices relating to:

- Provide strategic input on transformation within the Group
- Overseeing remuneration of Directors and Executives
- Stakeholder engagement (including employees, customers, suppliers, communities and the environment)
- Environmental responsibility and adherence to applicable legislation
- Review CSI initiatives of the Group
- Review Remuneration Policy of the Group

* Nick is recused from all decisions pertaining to remuneration.

THE NOMINATION COMMITTEE

Executive Director

Nick Mitchell (COO)

Non-executive Directors

Brett Kimber (Chairman)

Luigi Matteucci

2 meetings per annum

The Nomination Committee oversees the Board composition as well as assesses which retiring Independent Non-executive Directors are up for re-election.

- Review Board composition
- Board evaluation and assessment of Committee members and their effectiveness
- Succession planning
- Recommending nominations to the Board

RENERGEN EXCO

Executive Directors

Stefano Marani (CEO)

Fulu Ravele (CFO)

Nick Mitchell (COO)

No set number of meetings per annum. Meet as and when required or necessary

The Executive Committee is responsible for delivering the strategic objectives as set by the Board of Directors. The Executive Committee is an experienced management team that comprises the Chief Executive Officer, the Chief Operations Officer and the Chief Financial Officer.

- Set the direction and implement Group strategy
- Manage all stakeholder relationships
- Corporate and strategic leadership
- Promote investor confidence
- Cultivating and promoting an ethical corporate culture within the Group
- Compliance with applicable legislation and the Group's Code of Conduct and Ethics

OUR BOARD

ADHERING TO THE HIGHEST STANDARDS OF CORPORATE GOVERNANCE IS FUNDAMENTAL TO THE SUSTAINABILITY OF RENERGEN'S BUSINESS. RENERGEN'S BUSINESS PRACTICES ARE CONDUCTED IN GOOD FAITH, IN THE INTERESTS OF ALL ITS STAKEHOLDERS, WITH DUE OBSERVANCE OF THE PRINCIPLES OF GOOD CORPORATE GOVERNANCE.

The Board retains effective control of the business of Renergen through a clear governance structure and has established Committees to assist it in accordance with the provisions of its Board Charter. It further sets out the roles and responsibilities of the Board and its Directors, considering that strategy, risk, performance and sustainability are inseparable.

The Board is responsible for identifying key performance areas. It ensures that the Group complies with applicable laws and considers adherence to nonbinding rules and standards and is responsible for information technology (IT) governance.

The Board recognises that delegating authority does not reduce the responsibility its Directors to discharge their statutory and common law fiduciary duties.

We continue to review our governance structures to ensure that they support effective decision-making, provide robust controls and are aligned to evolving local and global best practice.

BOARD COMPOSITION AND INDEPENDENCE

The Board consists of nine members, three Executive Directors and six non-executive directors, the majority of whom are independent.

DIVERSITY AND INCLUSION

Renergen recognises the benefits of a diverse Board and to confirm its commitment, the Board has adopted a Policy for the promotion of Gender and Race diversity and inclusion at Board level.

INDEPENDENCE

All Directors have a duty to act with independence of mind in the best interests of the Group. The Board believes that the Independent Non-executive Directors of the Group are of the appropriate calibre, diversity and number for their views to carry significant weight in the Board's deliberations and decisions.

The Independent Non-executive Directors are highly experienced and have the skills, background and knowledge to fulfill their responsibilities. The classification of Independent Non-executive Directors is determined by the Board on the recommendation of the Nomination Committee. In determining the independence of the Independent Non-executive Directors, character and judgement are considered together with any of their relationships or circumstances which are likely to affect, or could appear to affect, their judgement and with due regard to the criteria for determining independence as set out in King IV and the JSE Listings Requirements.

At any time, all Independent Non-executive Directors have unrestricted access to management and to the Group's external auditors. Further, all Directors are entitled to seek independent professional advice on any matters pertaining to Renergen as they decide is necessary, and at the Group's expense.

The Board also considers the Director's interests including those in the business in terms of direct or indirect shareholding and/or an interest in a contract with the Group. Conflicts of interest, actual or perceived conflicts are monitored. All Directors of the Group and its major subsidiaries are required to adhere to the Group's policy on dealing in the Group's securities, which is designed to prevent insider trading in terms of the Financial Markets Act, 2012. During the year under review, in anticipation of our listing on the ASX, this policy was updated to account for regulations on both the JSE and ASX.

BOARD CHARTER

The Board Charter provides guidelines to Directors in respect of, inter alia, the Board's responsibilities, authority, composition, meetings and the need for performance evaluations. The Board Charter also provides for a clear division of responsibilities to ensure a balance of power and authority so that no one Director has unfettered powers of decision-making.

SUCCESSION PLANNING

The Nomination Committee oversees succession planning for Independent Non-executive Directors and monitors the succession planning for Executive Directors.

Renergen has a succession plan in place for Executive Directors and senior management, which provides for the key management of the Group. The Group continuously strives to improve its talent pool through a comprehensive and focused plan for the management of human capital, including career development and recruitment. The Board is satisfied that the ongoing efforts to strengthen leadership provide short and long-term management depth.

The CEO and COO share responsibility, shadow each other and have both been involved with the primary asset since 2013.

BOARD COMMITTEES

The Board delegates certain functions to well-structured Committees without abdicating its own responsibilities. Board Committee Charters define the purposes, authority and responsibility of the various Board Committees.

- The Renergen Exco
- The Audit, Risk and IT Committee
- The Governance, Ethics, Transformation, Social and Compensation Committee
- The Nomination Committee

The Committees assist the Board in discharging its duties. The Directors acknowledge that notwithstanding this delegation, ultimate accountability and responsibility for the performance and affairs of the Group remain with the Board.

BOARD MEETINGS

The Board meets quarterly with ad-hoc special meetings convened as necessary. Details of Directors' attendance at Board and Board Committee meetings during the year are set out on page 55.

COMPANY SECRETARY

All Directors have access to the services and advice of the Company Secretary, Renergen has appointed Acorim Proprietary Limited, which have extensive experience in the boardroom. The Company Secretary supports the Board as a whole, and Directors individually, by providing guidance as to how to fulfill their responsibilities as Directors in the best interests of the Group.

Annual evaluation of the Company Secretary is performed. The Board remains satisfied with the competency and experience of the Company Secretary and is satisfied that an arm's length relationship exists.

ADVICE AND INFORMATION

No restriction is placed on a Director's access to Company information, records, documents and property. Independent Non-executive Directors have access to management and regular interaction is encouraged. All Directors are entitled to seek independent professional advice concerning the affairs of the Group at the Group's expense.

TECHNOLOGY AND INFORMATION GOVERNANCE

The Board affirms its responsibility for the governance of technology and information. The governance model reflects both business and information technology requirements, focusing on strategic alignment, the value delivery, risk management (including information security, resilience and legislative and health and safety compliance), resource management and performance management. Our Audit, Risk and IT Committee assist the Board in carrying out its IT responsibilities.

BOARD AND COMMITTEE ATTENDANCE REGISTER

BOARD

MEMBER	25 MAY 2018	2 AUGUST 2018	22 NOVEMBER 2018
Brett Kimber	Y	Y	Y
Mbali Swana	Y	Y	Y
Luigi Matteucci	Y	Y	Y
Bane Maleke	Y	Y	Y

* Dr David King was appointed as a INED after year end.

AUDIT COMMITTEE

MEMBER	18 MAY 2018	16 NOV 2018	31 JAN 2019	15 MAR 2018*	18 MAY 2018*	25 MAY 2018*	20 AUG 2018*	22 NOV 2018*
Mbali Swana	Y	Y	Y	Y	Y	Y	Y	Y
Luigi Matteucci	Y	Y	Y	Y	Y	Y	Y	Y
Bane Maleke	Y	Y	Y	Y	Y	Y	N	Y

* Ad hoc teleconference meetings.

GOVERNANCE, ETHICS, TRANSFORMATION, SOCIAL AND COMPENSATION COMMITTEE

MEMBER	10 MAY 2018	16 NOVEMBER 2018	31 JANUARY 2019	3 JULY 2019*
Brett Kimber	Y	Y	Y	Y
Luigi Matteucci	Y	Y	Y	Y
Bane Maleke	Y	Y	Y	Y

* Ad hoc teleconference meetings.

NOMINATION COMMITTEE

MEMBER	25 MAY 2018	2 AUGUST 2018	22 NOVEMBER 2018
Brett Kimber	Y	Y	Y
Luigi Matteucci	Y	Y	Y
Bane Maleke	Y	Y	Y

* Ad hoc Audit Committee meetings.

APPLICATION OF KING IV PRINCIPLES

THE KING IV REPORT ON CORPORATE GOVERNANCE FOR SOUTH AFRICA, 2016 (“KING IV“OR “THE CODE”) WAS LAUNCHED BY THE INSTITUTE OF DIRECTORS IN SOUTHERN AFRICA (“IODSA”) ON 1 NOVEMBER 2016 AS A SET OF VOLUNTARY PRINCIPLES AND LEADING PRACTICES WITH AN APPLICATION APPROACH OF ‘APPLY AND EXPLAIN’.

In keeping with the intention of the Code, the Board has been mindful in its application of King IV and has endeavoured to ensure that recommended practices are interpreted and applied in a way that is appropriate for Renergen and the sector within which it operates.

Renergen is committed to the governance principles of King IV and continues to develop its governance policies, practices, and procedures in line with an integrated governance, risk, and compliance framework. The Board is satisfied that every effort has been made in the year under review to apply all material aspects of King IV where appropriate and relevant.

LEADERSHIP, ETHICS AND CORPORATE CITIZENSHIP

PRINCIPLE 1	APPLICATION	PRINCIPLE OVERSIGHT
The governing body should lead ethically and effectively.	Directors are well versed in their roles and responsibilities and continue to exhibit, both collectively and individually, required levels of integrity, competency and responsibility when executing their fiduciary role. They are committed to the application of King IV and have continued to adopt and apply recommendations as appropriate for Renergen's structure and business operations. All directors are required to disclose their financial and other interests biannually and confirm any conflict with items included on agendas prior to the commencement of each Board and committee meeting. The Board's 2019 performance assessment of individual directors contained questions relating to the governance and ethical display of conduct by each director and the results indicated that the ethical tone of the organisation is indeed supported from the top. These examples pay credence to the ways in which directors are held accountable for their leadership role and the manner in which this role is executed.	Nominations Committee Board

PRINCIPLE 2	APPLICATION	PRINCIPLE OVERSIGHT
The governing body should govern the ethics of the organisation in a way that supports the establishment of an ethical culture.	Renergen's various business integrity policies are monitored by Renergen's Governance, Ethics, Transformation, Social and Compensation Committee. These policies reflect the interests of all stakeholders and address and mitigate key ethical risks. Whistle-blowing hotlines are operational in both Renergen and its subsidiary, with regular awareness programmes to promote their use. Incidents reported through these channels are reported to the relevant Board committees. Community Codes of Conduct incorporate Renergen's ethics philosophy to ensure that employees and subcontractors also respect and adhere to the Renergen's ethics, vision and values. The Group endeavours to reinforce its ethical stance throughout the supply chain.	Governance, Ethics, Transformation, Social and Compensation Committee

PRINCIPLE 3	APPLICATION	PRINCIPLE OVERSIGHT
The governing body should ensure that the organisation is and is seen to be a responsible corporate citizen.	The Board, with support from the Governance, Ethics, Transformation, Social and Compensation Committee, sets the direction for good corporate citizenship, including compliance with the applicable laws, standards and internal policies and procedures, as well as alignment with Renergen's purpose, strategy and conduct. This is measured against agreed performance targets (financial and non-financial) that are aligned with Renergen's strategic initiatives. The targets encompass the workplace, economy, society and the environment so that Renergen's core strategy and conduct are consistent with it being, and being seen to be, a responsible corporate citizen. The Committee's oversight includes employment equity targets and application to the Broad-Based Black Economic Empowerment Codes.	Governance, Ethics, Transformation, Social and Compensation Committee CSI Committee

STRATEGY, PERFORMANCE AND REPORTING

PRINCIPLE 4	APPLICATION	PRINCIPLE OVERSIGHT
The governing body should appreciate that the organisation's core purpose, its risk and opportunities, strategy, business model, performance and sustainable development are all inseparable elements of the value creation process.	The Board steers and sets the direction, purpose, and strategy of the Group. The implementation of the approved strategic plans is delegated to management. This implementation and value creation is measured against the agreed performance targets. The Board approves strategic initiatives and considers the performance against strategy at dedicated strategy sessions which also include an assessment of the risks and opportunities based on the operating context and the needs and expectations of stakeholders. A quarterly risk assessment is undertaken by the Audit, Risk and IT Committee. All directors have access to the risk assessments so as to ensure that they have a good understanding and knowledge of the risks and opportunities that may influence and impact the strategy.	Audit, Risk and IT Committee

PRINCIPLE 5	APPLICATION	PRINCIPLE OVERSIGHT
The governing body should ensure that reports issued by the organisation enable stakeholders to make informed assessments of the organisation's performance and its short-medium- and long-term prospects.	Renergen publishes its Integrated Annual Report which is approved by the Board and appropriate committees, and these reports are made available on Renergen's website www.renergen.co.za. The Integrated Annual Report is prepared using the appropriate frameworks, which assist management in identifying the content and requirements of the reports. The Board oversees that the various reports are compliant with the requisite legal reporting requirements and meet the reasonable and legitimate needs of material stakeholders. Most importantly, the Board and its various committees review and approve the integrity of the data contained in all external reports to stakeholders. Regular trading updates are also published on the JSE Limited Stock Exchange News Service (SENS), providing transparent, timely and accurate communication with our shareholders. External assurance is obtained on the Annual Financial Statements.	Audit, Risk and IT Committee Board

GOVERNING STRUCTURES AND DELEGATION

PRINCIPLE 6	APPLICATION	PRINCIPLE OVERSIGHT
The governing body should serve as the focal point and custodian of corporate governance in the organisation.	The Board operates within the ambit of an approved Board Charter. The Board Charter is reviewed on an annual basis, and directs the roles, responsibilities and processes that are followed to ensure that it remains the focal point of corporate governance for the Group. The Board Charter forms an integral part of the Group's governance framework. The GETSC Committee of the Board implements and monitors the governance practices throughout the Group. A detailed breakdown of the number of meetings held during the reporting period, and attendance at those meetings, is contained on page 55 of the Integrated Annual Report. The Board, as well as any Director or Committee, may obtain independent, external professional advice at the Group's expense concerning matters within the scope of their duties and the Directors may request documentation from and set up meetings with management as and when required. The Board is satisfied that it has fulfilled its responsibilities in accordance with its Charter for the reporting period. Regular updates, facilitated by the Group Company Secretary, ensure that the Board and its committees are kept up to date and abreast of best practice governance recommendations.	Board

PRINCIPLE 7	APPLICATION	PRINCIPLE OVERSIGHT
The governing body should comprise the appropriate balance of knowledge, skills, experience, diversity and independence for it to discharge its governance role and responsibilities objectively and effectively.	The Board consists of nine directors, with five independent non-executive directors, one non-independent non-executive directors. The Board categorises non-executive members as independent when they conclude, pursuant to proper assessment, that there are no factors which could cause (or be perceived to cause) undue influence or biased decision-making, as a result of 'non-independence'. Our MOI sets out the formal process for appointing directors, ensuring that there is a transparent and accountable process to support an optimally diverse Board and committee composition. The Board Charter provides for the appropriate size of the Board considering diversity targets. The Board furthermore has a Race Diversity and Gender Policy. Board succession is top-of-mind, with the issue receiving considerable focus on the agendas of the Nominations Committee and the Board. None of the Independent Non-executive Directors have served on the Board for more than nine years, however, should a Director serve for a period of nine years, a review of the independence and performance of such Director will be undertaken by the Board. The Memorandum of Incorporation (MOI) requires that one-third of directors be re-elected by way of rotation at the Annual General Meeting, which provides for shareholders to consider the suitability of the directors on a regular basis. Board members proactively declare and recuse themselves from any item of discussion in which they may have a direct, indirect or a potential conflicting interest. Such declarations are managed by the Chairman. The Board is assisted by a competent, suitably qualified and experienced Company Secretary.	Nominations Committee

PRINCIPLE 8	APPLICATION	PRINCIPLE OVERSIGHT
The governing body should ensure that its arrangements for delegation within its own structures promote independent judgement and assist with the balance of power and the effective discharge of its duties.	The Board is assisted by four committees whose roles and responsibilities are directed through the Board, The Company's delegation of authority framework, the Companies Act and any other relevant legislation. The committees are the Audit, Risk and IT Committee, The Governance, Ethics, Transformation, Social and Compensation Committee, the Nomination Committee and the Executive Committee. Each committee has its own terms of reference, which are reviewed and approved on an annual basis by the Board to ensure that they are reflective of the governance principles and processes to which Renergen subscribes. The Nominations Committee reviews the committees' membership on an annual basis to ensure that these are appropriately constituted. Succession plans are considered to ensure continuity when directors retire or resign.	Board

PRINCIPLE 9	APPLICATION	PRINCIPLE OVERSIGHT
The governing body should ensure that the evaluation of its own performance and that of its committees, its chair and its individual members, support continued improvement in its performance and effectiveness.	In assuming responsibility for the overall performance of directors, the Board conducted an independent external evaluation process utilising the services of an external service provider during the 2018 financial year. The Board and committees refined the implementation actions that arose out of those evaluation findings, during the remainder of the year.	Nominations Committee

PRINCIPLE 10	APPLICATION	PRINCIPLE OVERSIGHT
The governing body should ensure that the appointment of, and delegation to, management contribute to role clarity and the effective exercise of authority and responsibilities.	Renergen has appointed a Chief Executive Officer (CEO) who is an executive director. He is an active participant of the Board and attends all committee meetings either as a member or by invitation so that he is available for questions. The Board Charter clearly delineates the role of the Chairman, the Group CEO and the Board in terms of roles and responsibilities, thereby ensuring clear role clarity. The delegation of authority framework sets out authority thresholds and governs sub-delegation. Professional corporate governance has been outsourced to Acorim Proprietary Limited (Acorim), as Renergen's Company Secretary. All Directors have access to the Company Secretary. The Board considers the competence, qualifications and experience of the Company Secretary annually and is satisfied that Acorim is competent and has the appropriate in-house qualifications and experience to serve as the Company Secretary. The Board further believes that the Company Secretary is suitably qualified and experienced to carry out the duties stipulated under section 88 of the Companies Act. The Board is satisfied that an arm's length relationship exists with the Company Secretary.	Nominations Committee GETSC

GOVERNANCE FUNCTIONAL AREAS

PRINCIPLE 11	APPLICATION	PRINCIPLE OVERSIGHT
The governing body should govern risk in a way that supports the organisation in setting and achieving its strategic objectives. The Risk and Compliance Committee sets the methodology for risk governance, including evaluating opportunities and risks when developing medium- to long-term strategies.	The Board, as the ultimate custodian of risk management, ensures that risk considerations are observed as an integral part of decision-making in Renergen. The Board approves Renergen's Risk Management Policy that sets out Renergen's risk appetite and risk tolerance levels, ensuring that risks are managed within these levels based on materiality and changes in the external and internal environments. To support the Board in ensuring effective risk management oversight, the Board Committees are responsible for ensuring the effective monitoring of material risks and opportunities, in compliance with Renergen's Enterprise Risk Management (ERM) framework and Risk Management Policy, within the ambit of each Committee's scope. The Board is provided with assurance that Renergen's approved ERM framework, process and methodology remain aligned with best practice and good governance requirements. Renergen's approach to increasing the probability of anticipating unpredictable risks includes regular monitoring of key developments in the external and internal environments, as well as identifying and monitoring developments associated with risks on its "watch-list" (emerging risks). The implementation and execution of risk management has been delegated to management, however the Board exercises continuous oversight in this regard. The material issues – their risks and opportunities, together with the risk management framework and processes for the Group – are disclosed in the Integrated Report.	Audit, Risk and IT Committee

PRINCIPLE 12	APPLICATION	PRINCIPLE OVERSIGHT
The governing body should govern technology and information in a way that supports the organisation setting and achieving its strategic objectives.	The Board is cognisant of the importance of technology and information governance as it is interrelated to the strategy, performance and sustainability of Renergen. The Audit, Risk and IT Committee is responsible for IT governance and, in accordance with the recommendations of King IV, oversees the implementation of IT governance mechanisms, IT frameworks, policies, procedures and standards to ensure the effectiveness and efficiency of Renergen's information systems. The Committee has co-opted an external IT specialist to assist it in governing technology and information. This Information Management (IM) function is accountable for the operational governance of IM throughout the Group and is aligned with Renergen's business needs and sustainability objectives. Assurance is provided that the IM controls in place are effective, information management risks are addressed and the return on major IT investments, aligned to Renergen's strategy, is monitored by the Committee. IT investments and expenditure are governed in terms of Renergen's Delegation of Authority, and major IT projects are reviewed and monitored by the Board through the IT Governance Report tabled at the Audit, Risk and IT Committee meetings.	The Audit, Risk and IT Committee

PRINCIPLE 13	APPLICATION	PRINCIPLE OVERSIGHT
The governing body should govern compliance with applicable laws and adopted, non-binding rules, codes and standards in a way that supports the organisation being ethical and a good corporate citizen.	From an overall perspective, the Audit, Risk and IT Committee directs and ensures the governance of compliance to applicable laws, non-binding rules, codes and standards, as adopted by Renergen. Compliance risk management forms an integral part of Renergen's overall risk management programme. Legal compliance systems and processes are in place and are continuously improved to mitigate the risk of non-compliance with the laws in the various jurisdictions in which Renergen does business and to ensure appropriate responses to changes and developments in the regulatory environment. The Audit, Risk and IT Committee receives regular reports on compliance matters to the extent that they have an impact on Renergen's financial statements. Specific areas of law have been identified as key Group legal compliance risk areas and risk mitigation and control steps have been identified for each of these areas. The Group did not have any material or repeated regulatory penalties, sanctions or fines for contraventions of, or non-compliance with, statutory obligations during the report period. The GETSC Committee assists the Board with ensuring responsible business practices throughout the Group and monitors the Group's activities in line with section 72 of the Companies Act, no 71 of 2008 (as amended). Renergen maintains and fosters relationships with key stakeholders, such as industry bodies, regulators and government.	Audit, Risk and IT Committee GETSC Committee

PRINCIPLE 14	APPLICATION	PRINCIPLE OVERSIGHT
The governing body should ensure that the organisation remunerates fairly, responsibly and transparently so as to promote the achievement of strategic objectives and positive outcomes in the short, medium and long-term.	The Board, assisted by the GETSC Committee, oversees the establishment of a Remuneration Policy that will promote the achievement of strategic objectives at all levels in Renergen and reviews the outcomes of the implementation of the Remuneration Policy on an annual basis. Renergen applied the King IV recommendation with regards to reporting. Renergen's remuneration strategy is designed to attract and retain key talent and to motivate and reward employees fairly and responsibly to ensure that they achieve key organisational objectives, while promoting the creation of value in a sustainable manner. The remuneration report is included in the Integrated Report. Non-executive directors' fees are benchmarked on an annual basis and advice is obtained from external independent consultants. The fees are proposed by management and recommended for approval by the GETSC Committee and the Board to shareholders for approval. The committee engages with shareholders and, more specifically, in advance of the Annual General Meeting on any matters that they may have relating to the remuneration policy and implementation report. This engagement allows the committee to discuss views with shareholders in matters relating to remuneration in advance of the meetings.	GETSC Committee

GOVERNANCE FUNCTIONAL AREAS

PRINCIPLE 15	APPLICATION	PRINCIPLE OVERSIGHT
The governing body should ensure that assurance services and functions enable an effective control environment, and that these support the integrity of information for internal decision-making and of the organisation's external reports.	The Board ensures that a combined assurance model is applied within Renergen that covers the significant risks and material matters through a combination of Renergen's line functions, risk and compliance functions, external auditors, and other assurance providers and regulatory bodies. A combined assurance model has been adopted by the Board under the oversight of the Audit, Risk and IT Committee. The Committee considers the completeness of the risks covered by the model and reviews the level of assurance obtained over the risks. With the assistance of independent assurers, such as the external auditor, the Audit, Risk and IT Committee and other Board committees review and evaluate the Integrated Annual Report and the Annual Financial Statements, prior to recommendation to the Board for approval. The Integrated Annual Report provides a consolidated review of the sustainability of the Group including the Group's financial, economic, social and environmental performance on matters material to the Group's strategy and the key stakeholders. The Audit, Risk and IT Committee, and the Board, receive regular reports from management in respect of the matters set out above and are satisfied that Renergen's systems of internal control and risk management are effective.	Audit, Risk and IT Committee

STAKEHOLDERS RELATIONSHIPS

PRINCIPLE 16	APPLICATION	PRINCIPLE OVERSIGHT
In the execution of its governance role and responsibilities, the governing body should adopt a stakeholder-inclusive approach that balances the needs, interests and expectations of material stakeholders in the best interests of the organisation over time.	King IV emphasises the critical role of stakeholders in the governance process, and, as such, the Board will always consider the legitimate and reasonable needs, interests and expectations of stakeholders. Renergen has a number of diverse groups of stakeholders. The Board acknowledges that Renergen's operations should create value for all stakeholders who may impact and/or influence their operations. The Board has delegated to the respective management teams in the Group the responsibility to manage and implement the formal stakeholder engagement framework across Renergen. Management proactively deal with stakeholder relationships as part of the day-to-day operations of the business. Stakeholder engagement is facilitated in a manner that ensures value creation to Renergen and the various stakeholders. In line with the JSE Listings Requirements, the Board makes every effort to treat all shareholders equally. The Group provides information to its stakeholders that is complete, timely, relevant, accurate and accessible. The degree of corporate transparency and communication is considered with reference to the relevant legal requirements and the maintenance of the company's competitive advantage. Dispute resolution clauses are contained in all contracts and agreements entered into by the company and its subsidiaries. The Board has an approved governance framework for South Africa. The frameworks, together with the delegations of authority, ensure that the Board oversees the significant aspects and transactions of the subsidiary companies. Renergen strives to ensure a systematic and integrated approach to stakeholder engagement throughout the Group, facilitated through engagement programmes aimed at ensuring that all stakeholder issues have been identified, prioritised and appropriately addressed. The Board, through GETSC Committee, considers issues around stakeholder perceptions and oversees stakeholder engagement and management. By receiving regular reports, the Board is equipped with the necessary information to enable it to take the legitimate interests and expectations of stakeholders into account in its decision-making. Renergen's stakeholders includes: employees and their representatives; government and regulators; shareholders; the communities around Group operations; suppliers and customers; and business partners. The individual stakeholders within these groups are highly diverse, with interests that sometimes compete. Renergen is therefore constantly seeking to improve the way in which it engages with its stakeholders to effectively respond to this complexity and diversity. Interaction with stakeholders happens during the normal course of business at multiple levels across the Renergen Group and Renergen strives to resolve disputes with its stakeholders effectively and expeditiously. The Group publishes its most recent financial and operational performance and provides recent historical information, including its Integrated Annual Reports, on its website. Renergen invites all shareholders to attend its AGM and facilitates participation by way of focused proxy solicitation and electronic means. The CEO and the COO conduct regular presentations on the Group's performance and strategy to analysts, institutional investors and the media. Renergen's Investor Relations function maintains regular contact with the investment community and analysts.	GETSC Committee

STAKEHOLDERS RELATIONSHIPS

PRINCIPLE 17	APPLICATION	PRINCIPLE OVERSIGHT
The Governing Body of an institutional investor organisation should ensure responsible investment is practiced by the organisation to promote good governance and the creation of value by the companies in which in invests.	Renergen is not an institutional investor.	

REMUNERATION REPORT

THIS REMUNERATION REPORT CONSISTS OF THREE SECTIONS.

SECTION 1

A report of material Remuneration and Policy matters covered by the Committee during the year from the Chairman of the Governance, Ethics, Transformation and Social Compensation Committee (GETSC)

SECTION 2

The remuneration philosophy, policy, and reward framework

SECTION 3

The implementation of the Remuneration Policy in the 2019 financial year, to be tabled at the AGM for a non-binding advisory vote (Ordinary resolution number 7) by the Group's shareholders

SECTION 1

This report highlights the material Remuneration and Policy matters dealt with by the GETSC Committee and summarises the Group's approach to fair, responsible and transparent remuneration and the way this promotes the achievement of the Group's overall strategic outcomes.

REMUNERATION FRAMEWORK

The remuneration framework has been designed to achieve a fair and sustainable balance between annual, and short- and long-term variable remuneration in order to promote strategic objectives of the company and align employees with the interest of our Shareholders. The remuneration mix allows Renergen to not only attract but retain the human capital necessary to unlock and deliver shareholder results.

EMPLOYEE GROUP	FOCUS AREAS	STRATEGIC TERM	REMUNERATION MIX
Executives	Formulation and implementation of company strategy	Long-term	Cost to company package Long-term incentive (BSP) Short-term incentive (Cash bonus)
Senior Management	Operational and administrative	Medium to long-term	Cost to company package Long-term incentive (BSP)
Other staff	Operational and administrative	Short to medium-term	Cost to company package Short-term incentive (Cash bonus)

KEY ACTIVITIES OF THE GETSC COMMITTEE

During the year under review, the Compensation Committee comprising majority INED's reviewed the Remuneration Policy.

The focal areas have included:

- Compulsory Medical aid has been implemented for all full time employees from 1 March 2018. The Group contributes 50% towards employees medical aid
- Identified a requirement for Pension / provident cover which is currently still under investigation and may be implemented in the 2019 year
- Continuous review of the Key Performance Indicator (KPI) methodology as part of the ongoing process to ensure that the incentive plans reflect best practice, are appropriate for the Group's operating model and are market related
- The introduction of an annual Executive and Non-executive remuneration benchmark report prepared by PwC Inc

FAIR AND RESPONSIBLE REMUNERATION

Renergen is committed to fair and equitable remuneration for all and is non-discriminatory in its implementation. We believe in a practice that we pay equally for work of equal value and therefore of the opinion that remuneration is distributed not only equally but also fairly within the varying occupation levels of the company.

Minimum wage

Renergen has set its internal minimum wage threshold well above the current proposed minimum wage threshold as legislated. We believe it is our responsibility to ensure all our staff have a livable wage that allow them to provide meaningfully for their families given the rising living costs in South Africa.

Total cost to company packages

The total cost to company (CTC) packages are informed by market rates at the time of employment and reviewed annually.

Short-term incentive bonus

Employees received a short-term incentive (STI) cash bonus in line with the achievement of their Key Performance Indicators (KPI's).

Long-term incentive bonus

Employees are eligible to participate in the Renergen Limited Bonus Share Plan. The long-term incentive (LTI) is designed specifically to reward performance and retain talent within the Group. The incentive is awarded annually and the shares vest after a three-year period. Bonus shares are not guaranteed and are awarded at the full discretion of the GETSC Committee.

CHANGES TO THE REMUNERATION PHILOSOPHY FOR THE 2019 FINANCIAL YEAR

REMUNERATION DESCRIPTION / ELEMENT	CHANGE	REASON FOR CHANGE
Independent Non-executive fees		For urgent unscheduled meetings that do not require a physical meeting but still require INED to make themselves available for a Teleconference. A suitable fee was suggested and agreed upon by the INEDs and we will seek approval for this at our next AGM
Bonus Share Plan (long-term incentive bonus) - LTI's	The KPI's (performance conditions) have been standardised and adjusted to ensure an appropriate mix of both company objectives and personal objectives. All employees have corporate as well as personal objectives.	The single KPI methodology promotes both company objectives and individual performance.
Short-term incentive (STI's) bonus	Eligible employees receive a STI bonus at the end of the financial year based on a performance rating.	Designed to deliver value to employees and incentivise them to deliver on the Group strategy in accordance with the relevant pay mix.
Executive Directors	Alignment to a range from the lower quartile up to the 35th percentile emanating from report prepared by PwC Inc.	To align Executive Remuneration with that of global market trends. This is to ensure Renergen continues to remunerate competitively and can retain its competitive edge in this burgeoning, dynamic market space.

SECTION 2

REMUNERATION PHILOSOPHY, POLICY AND REWARD FRAMEWORK

The Group's remuneration philosophy is to ensure that employees are rewarded appropriately for their contribution to the execution of the strategy of the Group. The remuneration policy has been designed so that it will continue to attract, engage, retain, and motivate the right, diverse talent required to deliver sustainable profit growth.

The remuneration policies are designed to achieve alignment between the Group's business strategy and the behaviours of all employees against the values of the Group. The policies recognise and reward individual responsibility, performance, and behaviour in the achievement of the business areas' goals. These policies are applicable to all Group employees and participation in short- and long -term incentive schemes is dependent on an individual's role and level within the Group.

The remuneration policy and the implementation thereof are focused on achieving a fair and sustainable balance between shorter, medium and long term incentive schemes for these employees. The fair and responsible application of the remuneration policy is guided by the King IV principles relating to fair and responsible remuneration, which have been adopted by the Group.

The GETSC Committee appointed PwC Inc to perform an Executive and Non-Executive Directors remuneration and benchmark analysis and provide a report. The process involved PwC Inc developing a Peer Group of companies against which Renergen would be evaluated and compared. The Peer Group consists of twelve companies independently determined and selected by PwC as the best representative sample for this exercise based on their global remuneration expertise. The report presents a Lower Quartile, Median and Upper Quartile result for total guaranteed package, short term incentive and long-term incentive comprising total remuneration. Taking cognisance of the relatively early stage lifecycle of Renergen, the GETSC Committee believes it is best to align the remuneration strategy to the Lower Quartile at this time but provide sufficient flexibility by approving a range of up to the 35th percentile in which the committee can make remuneration decisions. The GETSC Committee believes the lower quartile decision will need to be reassessed once the company has executed stage one of its business plan.

FAIR AND RESPONSIBLE REMUNERATION

In consideration of King IV, the Group's remuneration policy addresses fair and responsible remuneration for executive management in the context of overall employee remuneration.

OUR REMUNERATION FRAMEWORK

The Group's Remuneration framework balances remuneration (financial rewards) with other non-financial rewards to drive and deliver a high performance culture. The remuneration component of the Remuneration framework is made up of two elements – Guaranteed Pay (GP) and Variable Pay (VP) as illustrated below:

REMUNERATION

Guaranteed Pay		Variable pay	
Benchmarked against applicable retail and non-retail companies within geographic locations, to ensure the GP is competitive so as to attract and retain the required level of experience and expertise required for the Group		Short- and long-term incentives with the opportunity to earn additional financial rewards over performance periods of between one and five years	
Base pay	**Benefits**	**Short term incentives**	**Long term incentives**
Market-related salary tailored to roles and performance	Market-related benefits including medical aid and accidental death and disability insurance	Annual performance bonus paid on the achievement of performance targets	Senior employees in the Group participate in a BSP appropriate to the level and role that they perform in the Group. The Bonus Share scheme is designed to incentivise executive and senior- to middle-management levels across the Group, on delivery of long-term strategic goals aligned with shareholder expectations.

SECTION 3

IMPLEMENTATION OF REMUNERATION POLICY FOR THE YEAR ENDED 28 FEBRUARY 2019.

This section of the report specifically deals with the remuneration for the Group CEO, Executive Directors, and Non-executive Directors.

COMPLIANCE WITH THE REMUNERATION PHILOSOPHY

The GETSC Committee monitored the implementation of the remuneration policy throughout the year, and is of the view that the Group was in material compliance with the 2019 remuneration policy (as set out in the 2019 Integrated Annual Report).

REMUNERATION MIX

The Group, through the GETSC Committee, is committed to fair and responsible remuneration policies.

During the 2019 financial year, the CTC increase (linked to inflation) for the Renergen Group was approved at 7.5%.

DETAILS OF REMUNERATION PAID

The remuneration of the Executive Directors of Renergen for the past two financial years is shown on the tables below.

EXECUTIVES

Figures in Rand thousands	2019			2018		
	Basic Salary	**Bonus**	**Total**	**Basic Salary**	**Bonus**	**Total**
Stefano Marani	2 931	366	3 297	2 159	180	2 339
Fulu Ravele*	2 157	269	2 426	1 344	112	1 456
Nick Mitchell	2 931	366	3 297	2 072	173	2 245
	8 019	**1 001**	**9 020**	**5 575**	**465**	**6 040**

* The Group granted Fulu Ravele 58,734 bonus shares that vest after 36 months of service from grant date (05 October 2017), the shares had a fair value of R10.22 per share. R 200 000 of the share-based payment expense was recognized in operating expenses at 28 February 2019.

NON-EXECUTIVES

Figures in Rand thousands	2019			2018		
	Directors' fees	**Committees fees**	**Total**	**Directors' fees**	**Committees fees**	**Total**
Brett Kimber	238	112	350	216	130	346
Mbali Swana	216	99	315	173	151	324
Luigi Matteucci	216	210	426	216	194	410
Bane Maleke	216	163	379	173	86	259
	886	**584**	**1 470**	**778**	**561**	**1 339**

Francois Olivier, appointed as a non-executive director in November 2018 to represent Mazi Asset Management (one of Renergen's shareholders) does not earn directors fees.

Should 25% (twenty five percent) or more of the votes exercised on the resolutions set out in Ordinary resolution 7.1 and Ordinary resolution 7.2 on page 165 be cast against both or either of these non-binding resolutions, Renergen undertakes to engage with the dissenting shareholders as to the reasons thereof and take appropriate action to address the issues raised as envisaged in King IV and the JSE Listing Requirements.

EXTERNAL APPOINTMENTS AND BOARD MEETING ATTENDANCE OF EXECUTIVE DIRECTORS

Executive Directors do not draw any additional remuneration for attending Board meetings. Renergen Executive Directors who sit on subsidiary boards do not receive fees for serving on the Boards of those Committees.

Renergen appointed Francois Olivier as a new Director in the current financial year. At the time of printing, Renergen listed on the ASX and appointed Dr David King as a Director.

DETAILS OF REMUNERATION PAID TO INED

The fee structure is aligned to the King IV remuneration guidelines that Non-executive Directors receive a base annual retainer for appointment to the Board or any Committee, together with an attendance fee (meeting fee) per meeting. The Chairman of the Board or any Committee receives a higher fee.

The appointment of Independent Non-executive Directors is initially considered and resolved by the Board, thereafter, ratified by Shareholders and is duly approved at the AGM.

In line with best governance practice, Independent Non-executive Directors do not participate in STI's and LTI's and their term of office is governed by the Group's Memorandum of Incorporation, which provides that at least one-third of the Independent Non-executive Directors will retire by rotation, but may, if eligible, offer themselves for re-election.

The remuneration of the Executive Directors is reviewed by the GETSC Committee annually and approved by the Board. It is further presented and voted on by the shareholders at the next AGM.

The remuneration of Independent Non-executive Directors of Renergen for the past two financial years is shown in the table below has remained unchanged since the listing of Renergen Limited The Board recommends that Shareholders approve the implementation of the proposed fees below in order to align the remuneration strategy with the Executive and Non-executive remuneration benchmark report prepared by PwC Inc.

GOVERNANCE, ETHICS, TRANSFORMATION, SOCIAL AND COMPENSATION REPORT

The Renergen Governance, Ethics, Transformation, Social and Compensation Committee (GETSC) (the Committee) is a statutory Committee which assists the Board in monitoring the Group's corporate citizenship, sustainability and ethics.

INSURANCE

The Audit, Risk and IT Committee monitors insurance coverage at Renergen and regularly reviews a summary of the coverage. Directors and officers enjoy the benefit of liability insurance funded by the Group to cover instances where they could be held personally liable to the Group in cases of negligence, default or a breach of duty or trust.

The cover excludes liability resulting from criminal, reckless or fraudulent behaviour. The level of cover is reviewed annually to ensure that it is appropriate.

COMPLIANCE

We ensure compliance with all legislation and regulations applicable to our businesses.

These include the Companies Act, JSE Listings Requirements, the ASX Corporate Governance Principles and Recommendations (Fourth Edition), and the recommendations set out in King Report.

Tetra4 operates in a highly regulated sector. In this regard Renergen submits regular reports as required by the following regulators:

- Petroleum Agency SA (PASA), in respect of the exploration rights, production rights and social and labour report
- The National Energy Regulator (NERSA) in relation to storage license and trading license

All operations comply with the required legislation including:

- Mine Health and Safety Act 29 of 1996
- Occupational Health and Safety Act of 1993
- Hazardous Substances Act 1973
- Mineral and Petroleum Resources Development Act (MPRDA)
- National Environmental Management Act of 1988

LITIGATION STATEMENT

In terms of the JSE Limited Listings Requirements, the Directors note that they are not aware of any legal or arbitration proceedings that are pending or threatened, that may have or have had in the recent past, being at least the previous 12 months, a material effect on the Group's financial position.

DR DAVID KING REMUNERATION

King will be issued options on 1,000,000 shares of the Company (or CDI equivalent) at the date of completion of the IPO with a strike price equal to the IPO price plus a 20% premium. The options will accrue to King annually for completion of an entire year's service on each anniversary of his appointment at a rate of 250,000 shares per annum up to and including the fourth anniversary. The options will mature at a rate of 250,000 shares per annum on each anniversary of his appointment to the board, thus the shortest option will be 1 year on 250,000 shares and the longest option will be 4 years on 250,000 shares.

Approved by shareholders at the General Meeting held on Tuesday, 19 March 2019.

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ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 28 FEBRUARY 2019

GENERAL INFORMATION

Country of incorporation and domicile	South Africa
Nature of business and principal activities	Energy company, focused on alternative and renewable energy sectors in South Africa and sub-Saharan Africa. The Company is listed on the JSE Alternative Exchange ("AltX") and in the process of a secondary listing on the Australian Stock Exchange
Directors	Stefano Marani Fulu Ravele Nick Mitchell Brett Kimber Mbali Swana Luigi Matteucci Bane Maleke Francois Olivier
Registered office	First Floor 1 Bompas Road Dunkeld West 2196
Auditors	BDO South Africa Incorporated Chartered Accountants (SA) Registered Auditors
Secretary	Acorim Proprietary Limited
Company registration number	2014/195093/06
Level of assurance	These financial statements have been audited in compliance with the applicable requirements of the Companies Act 71 of 2008
Transfer secretaries	Computershare Investor Services Proprietary Limited
Designated adviser	PSG Capital
JSE Share code JSE ISIN	REN ZAE000202610
Preparer	The financial statements were prepared under the supervision of Fulu Ravele CA(SA) Chief Financial Officer

DIRECTORS' RESPONSIBILITIES AND APPROVAL

The directors are required in terms of the Companies Act 71 of 2008 to maintain adequate accounting records and are responsible for the content and integrity of the financial statements and related financial information included in this report. It is their responsibility to ensure that the financial statements fairly present the state of affairs of the group as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with International Financial Reporting Standards. The external auditors are engaged to express an independent opinion on the financial statements.

The financial statements are prepared in accordance with International Financial Reporting Standards and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the group and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the Board sets standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the group and all employees are required to maintain the highest ethical standards in ensuring the group's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the group is on identifying, assessing, managing and monitoring all known forms of risk across the group. While operating risk cannot be fully eliminated, the group endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The Group will continue as a going concern, which contemplates the realisation of assets and satisfaction of liabilities in the normal course of business for the foreseeable future. The Group's ability to achieve profitability is dependent on the capital spend of proceeds raised from the currently underway capital raise. The Directors have reviewed the Group's forecasts for the next twelve months and are satisfied with the Group's ability to continue as a going concern.

The external auditors are responsible for independently auditing and reporting on the group's financial statements. The financial statements have been examined by the group's external auditors and their report is presented on pages 86 to 89.

The financial statements set out on pages 96 to 155, which have been prepared on the going concern basis and the directors report on pages 90 to 95, were approved by the Board of directors on 31 May 2019 and were signed on their behalf by:

Fulu Ravele **Luigi Matteucci**

AUDIT, RISK AND IT COMMITTEE REPORT

INTRODUCTION

The Audit, Risk and IT Committee ("the Audit Committee") is an independent statutory committee appointed by Renergen's shareholders. In terms of section 94 of the Companies Act 71 of 2008, as amended ("the Companies Act"), and the principles of good governance, shareholders annually appoint certain independent directors as members of the Audit Committee to fulfill the statutory duties as prescribed by the Companies Act.

In addition, Renergen's Board of directors (the Board) delegates specific duties to the Audit Committee. This report considers these statutory and delegated duties as well as the Audit Committee's responsibilities in terms of the JSE Listings Requirements and the King IV Code on Corporate Governance, 2016 ("King IV").

TERMS OF REFERENCE

The Audit Committee has adopted formal terms of reference which are reviewed and updated on an annual basis, or as necessary, by both the Committee and the Board. The Committee is satisfied that it has discharged its duties in accordance with its terms of reference.

COMPOSITION AND GOVERNANCE

During the year under review the Audit Committee comprised of the following independent non-executive directors:

NAME	QUALIFICATION	DESIGNATION
Luigi Matteucci	B.com (Wits) CTA (Wits) CA (SA)	Independent member. Member of committee since May 2016 and appointed at Chairperson in February 2019
Mbali Swana (chairperson)	Bas (UCT), BArch (UCT), Pr Arch (SA), MIAT (SA)	Chairperson and Independent member since February 2015. Stepped down as Chairperson of the committee in February 2019 but remained a member of the committee
Bane Maleke	MBA (Dalhousie University Canada), Ph.D Strategic Management (University of Bath UK)	Member of the committee since December 2016

Members of the Audit Committee satisfy the requirements to serve as members of an audit committee, as provided for in section 94 of the Companies Act, and collectively have adequate knowledge and experience to carry out their duties.

The Chief Executive Officer (CEO), the Chief Financial Officer (CFO), the Chief Operating Officer (COO) and representatives of the appointed external auditor are invited to attend all Audit Committee meetings. The chairperson of the Audit Committee has regular contact with Management to discuss relevant matters directly. The external auditors have direct access to the Audit Committee, including closed sessions without Management, on any matter that they regard as relevant to the fulfilment of the Audit Committee's responsibilities.

Eight Audit Committee meetings were held during the year under review, aligned with the key reporting and regulatory timelines. The meetings' key focus areas were:

- the financial performance and position of the Group
- the solvency and liquidity position of the Group
- Renergen's interim results for the six months to 31 August 2018 and the accompanying SENS announcement
- the external audit plan
- Renergen's financial year end results and the accompanying SENS announcement
- significant and unusual accounting transactions
- the external auditor's report
- JSE correspondence and the Committee's responses thereto
- Renergen's risk register and the responses associated with each risk
- the adequacy of the risk management policy, charter and plan, as well as the risk tolerance and risk appetite statements. Certain recommendations were made by the Audit Committee in this regard which have been adopted by Management
- the insurance cover in place to protect the Group's assets
- risks associated with business continuity planning
- whistleblowing policies and procedures
- the appropriateness of the external auditor and the individual registered auditor

The chairperson of the Audit Committee reports to the Board on its activities and the matters discussed at each meeting, highlighting any key items that the Audit Committee believes require action and providing recommendations for the Board's resolution.

The performance of the Audit Committee is reviewed annually by the Board. The latest review concluded that the Audit Committee operates effectively and successfully discharged its responsibilities and duties in line with its approved terms of reference.

ROLES AND RESPONSIBILITIES

The Audit Committee's primary objective is to assist the Board with its responsibilities for, *inter alia:*

- oversight of financial and internal controls
- oversight and review of the integrity of financial reporting
- oversight and review of the external audit process
- oversight of any non-audit services and approval of the policy in regard thereto
- oversight and review of Renergen's financial function
- management of risk
- governance of information technology and the effectiveness of Renergen's information systems
- legislative and regulatory compliance
- oversight of the policies and procedures for the prevention and detection of fraud

AUDIT, RISK AND IT COMMITTEE REPORT

FINANCIAL AND INTERNAL CONTROLS

The Group has established and maintains internal controls and procedures, which are reviewed on a regular basis. These are designed to manage significant control deficiencies raised by Management or the external auditors and to provide reasonable assurance against the possibility of any failures.

The Audit committee is satisfied that Renergen has optimised the assurance coverage obtained from Management and external assurance providers, in accordance with an approved combined assurance model. The Audit Committee is also satisfied that the combined assurance model and related systems and procedures are effective in enabling an effective internal control environment and supporting the integrity of internal and external reports.

Based on its continuous review of the design, implementation and effectiveness of Renergen's systems of internal financial controls, and on reports made by the external auditors on the results of their audit and management reports, the Audit Committee is satisfied that Renergen's system of internal financial controls is effective and forms a basis for the preparation of reliable financial statements. No findings have come to the attention of the Audit Committee to indicate that any material breakdown in internal controls occurred during the past financial year.

FINANCIAL REPORTING

The Audit Committee receives regular reports from the CFO regarding the financial performance of the Group, details of budgets, forecasts, long-term plans and capital expenditures, financial reporting controls and processes, and the adequacy and reliability of management information used during the financial reporting process.

The Audit Committee reviewed the audited annual financial statements for the year ended 28 February 2019 and, following an assessment, considered the financial reporting process and controls that led to the compilation of the annual financial statements to be effective. No significant matters were identified by the Audit Committee relating to the annual financial statements and the Audit Committee submits that they present a balanced view of the Group's performance for the year under review. The Audit Committee is therefore of the view that the annual financial report complies in all material respects with the statutory requirements of the various regulations governing disclosure and reporting of the consolidated annual financial statements and that the consolidated financial statements comply in all material respects with IFRS, the SAICA Financial Reporting Guides issued by the Accounting Practices Committee and Financial Reporting Pronouncements issued by the Financial Reporting Standards Council, as well as the requirements of the Companies Act and the JSE Listing Requirements.

The Audit Committee recommended that the annual financial statements and the financial information included in the integrated annual report be approved by the Board.

EXTERNAL AUDIT

The Audit Committee is responsible for the appointment, compensation and oversight of the external auditors for the Group, namely Grant Thornton.

On the recommendation of the Board, shareholders reappointed Grant Thornton Johannesburg ("GT") as Renergen's independent external auditor for the financial year ended 28 February 2019 at the annual general meeting held on 28 September 2018, . The individual registered auditor responsible for the audit was Mr. J Barradas. Following its reappointment, GT informed the Audit Committee that it was in advanced negotiations to join BDO South Africa ("BDO").

Following the merger of GT and BDO, as well as the Audit Committee's review of BDO's latest Independent Regulatory Board for Auditors ("IRBA") inspection findings in accordance with paragraph 22.15(h) of the

JSE Listings Requirements, the Audit Committee appointed BDO as Renergen's independent external auditor on 3 December 2018. Although the individual registered auditor remained unchanged the Audit Committee assessed the independence and effectiveness of BDO as the Renergen's independent external auditor. Having conducted a thorough assessment the Audit Committee is satisfied that BDO is independent of Renergen, taking into consideration the prescripts of section 94(8) of the Companies Act as well as IRBAs' rules. The Audit Committee is further satisfied that both BDO and Mr. J Barradas are accredited in terms of the JSE Listings Requirements.

Prior to the commencement of the statutory audit for the financial year ended 28 February 2019, the Audit Committee reviewed and approved the auditor's engagement letter, the audit plan and the audit fees. The Audit Committee further monitored the external auditor's progress against the approved audit plan. Following the statutory audit, the auditor's report provided the Audit Committee with the necessary assurance in respect of Renergen's risk management processes, internal control environment and IT governance.

A formal procedure has been adopted to govern the process whereby the external auditor may be considered for non-audit services and the extent of these services is closely monitored by the Audit Committee.

Mr. J Barradas completed his 5-year tenure as Renergen's individual registered auditor during the statutory audit for the financial year ended 28 February 2019. Given Renergen's policy of rotating its audit partner every 5 years a formal tender process was initiated for the identification and appointment of a new independent external auditor. The Audit Committee is of the view that the periodical rotation of external auditor complies with the principles of good corporate governance and will enhance the independence of the appointed external auditor.

Accordingly, the Audit Committee, engaged in a tender process with a number of candidate audit firms, for the appointment of Renergen's independent external auditor for the financial year ending 29 February 2020.

The directors will, therefore, propose the appointment of an independent external auditor at the annual general meeting to be held on 27 September 2019. Details can be found in the notice of annual general meeting that accompanies the integrated annual report.

EVALUATION OF THE CFO AND THE FINANCE FUNCTION

The Audit Committee evaluated the expertise and performance of Ms. F Ravele during the financial year ended 28 February 2019 and is satisfied that she has the appropriate expertise and experience to carry out her duties as the CFO of the Group. The expertise, experience and adequacy of the resources making up the finance function were also considered, and the Audit Committee is satisfied that these are appropriate.

RISK MANAGEMENT

The Audit Committee discusses with Management the Group's policies with respect to risk assessment and risk management, including the guidelines and policies that govern Management's assessment and management of risk, and is responsible for the following:

- Reviewing the effectiveness of risk management policies and strategies in place for recommendation to the Board for final approval
- Reviewing the adequacy of the risk management charter, policy and plan for recommendation to the Board for final approval
- Approving the Group's risk identification and assessment methodologies
- Reviewing the parameters of the Group's risk/reward strategy, in terms of the risk appetite and tolerance relative to reward
- Ensuring that risks are quantified where practicable

- Reviewing and approving the risks identified on a qualitative basis, according to probability and seriousness
- Reviewing the effectiveness and efficiency of systems within the Group and receiving assurance that material risks are identified, and the appropriate risk management processes are in place, including the formulation and subsequent updating of appropriate Group policies
- Reviewing the appropriateness of resources directed towards areas of high risk
- Regularly receiving a register of the Group's key risks and potential material risk exposures. Reporting to the Board any material changes and/or divergence to the risk profile of the Group
- Reviewing the implementation of operational and corporate risk management plans
- Reviewing the insurance and other risk transfer arrangements and considering whether appropriate coverage is in place
- Reviewing the business contingency planning process within the Group and receiving assurance that material risks are identified and that appropriate contingency plans are in place
- Where necessary recommending actions for improvement on risk management plans for the Group
- Reviewing the Group's sustainability risk on a regular basis
- Annually reviewing the risk management charter for recommendation to the Board for final approval

The Audit Committee is satisfied with the effectiveness of its oversight of the governance of risk in the Group. A detailed report on risk, as recommended in King IV, is contained in the integrated annual report.

INFORMATION AND TECHNOLOGY GOVERNANCE

The Audit Committee is responsible for IT governance on behalf of the Board and receives reports from management in this regard at each Committee meeting. During the year under review the Audit Committee considered and approved a technology and information governance framework to manage information and technology as well as to identify any associated risks.

COMPLIANCE GOVERNANCE

The Committee is responsible for Renergen's compliance with applicable laws, rules, codes and standards. All of the laws, codes and standards applicable to Renergen have been identified and the responsibility for implementing compliance has been delegated to Management.

GOING CONCERN

The Audit Committee has reviewed a documented assessment, including key assumptions prepared by Management, of the going concern status of the Group. The Board's statement on the going concern status of the Group, which is supported by the Audit Committee, appears on page 79.

GROUP SECRETARY CERTIFICATION

In our capacity as Company Secretary, we hereby confirm, in terms of section 88(2)(e) of the Companies Act, 2008 (Act No.71 of 2008), as amended (the Act), that for the 12-month period ended 28 February 2019, the Group has lodged with the Companies and Intellectual Property Commission all such returns as are required of a public company in terms of the Act and that all such returns are true, correct and up to date.

Acorim

Acorim Proprietary Limited
Company Secretary

31 May 2019

INDEPENDENT AUDITOR'S REPORT

REPORT ON THE AUDIT OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

OPINION

We have audited the consolidated and separate financial statements of Renergen Limited (the Group and company) set out on pages 96 to 155, which comprise the consolidated and separate statements of financial position as at 28 February 2019, and the consolidated and separate statements of profit or loss and other comprehensive income, the consolidated and separate statements of changes in equity and the consolidated and separate statements of cash flows for the year then ended, and notes to the consolidated and separate financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of Renergen Limited as at 28 February 2019, and its consolidated and separate statements of financial performance and consolidated and separate statements of cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the group and company in accordance with the Independent Regulatory Board for Auditors' *Code of Professional Conduct for Registered Auditors (IRBA Code)* and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* (Parts A and B). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined that there are no key audit matters in respect of the separate financial statement.

The following key audit matters relate to the consolidated financial statements.

KEY AUDIT MATTER	HOW OUR AUDIT ADDRESSED THE KEY AUDIT MATTER
VALUATION AND IMPAIRMENT TESTING OF MINERAL RIGHTS	
At 28 February 2019, the Group has mineral rights disclosed as intangible assets with a carrying value of R66.5 million (2018: R62.7 million). Management is required to perform an impairment test on intangible assets at least annually and identify indicators of impairment, if any. We have determined this to be a key audit matter due to the judgement required by management in preparing the valuation model to satisfy the impairment test. An expert (MHA Petroleum Consultants) is used to calculate the amount of resources available as well as forecasting future cash flows and applying appropriate discount rates and this inherently involves a high degree of estimation and judgement by management. During the period under review there was no impairment accounted for relating to the intangible asset for Tetra4.	In considering the appropriateness of management's judgement used in the valuation models, we performed the following audit procedures: • Assessed appropriateness of capitalisation of costs in terms of IFRS 6 *Exploration for and Evaluation of Mineral Resources* • Evaluated the capabilities, competency and objectivity of management's expert (MHA Petroleum Consultants). This included verifying professional qualifications and registrations and making an assessment of the independence and appropriateness of the expert used • Obtained an understanding of the work performed by the expert • Reviewed the recoverability of the mineral right by assessing the expert's value-in-use calculation • Recalculated the amortisation charge for the period based on the units of utilisation over the total estimated resource available • Verified the additions made during the period • Obtained an analysis of estimated future expenditure included in the amortisation base • Analytically reviewed each income stream on a month on month and year on year basis to evaluate the completeness of each revenue stream • Reviewed the work of the experts and compared to the methods and assumptions used in the prior year in order to ensure consistency and appropriateness We furthermore considered the appropriateness and completeness of disclosure provided in this regard in terms of International Financial Reporting Standards.

REPORT ON THE AUDIT OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

OTHER INFORMATION

The directors are responsible for the other information. The other information comprises the Directors' Report, the Audit Committee's Report and the Company Secretary's Certificate as required by the Companies Act of South Africa, which we obtained prior to the date of this report, and the Annual Report, which is expected to be made available to us after that date. Other information does not include the consolidated and separate financial statements and our auditor's report thereon.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, the directors are responsible for assessing the group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group and / or the company or to cease operations, or have no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's and the company's internal control
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's and the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group and / or the company to cease to continue as a going concern
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated and separate financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

terms of the IRBA Rule published in Government Gazette Number 39475 dated 4 December 2015, we report that BDO South Africa Inc.has been the auditor of Renergen Limited for five years.

BDO South Africa Inc

BDO South Africa Incorporated
Registered Auditors

J Barradas
Director
Registered Auditor

31 May 2019

DIRECTORS' REPORT

The directors have pleasure in submitting their report on the financial statements of Renergen Limited and the Group for the year ended 28 February 2019.

1. NATURE OF BUSINESS

An energy group focused on alternative and renewable energy sectors in South Africa and sub-Saharan Africa. The Company is listed on the JSE Alternative Exchange (AltX) and is in the process of a secondary listing on the Australian Stock Exchange (ASX).

2. REVIEW OF FINANCIAL RESULTS AND ACTIVITIES

The separate and consolidated financial statements have been prepared in accordance with International Financial Reporting Standards and the requirements of the Companies Act 71 of 2008 as amended, the JSE Listings Requirements, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and the financial reporting pronouncements as issued by the Financial Reporting Standards Council. The Group adopted new accounting standards during the current year which were not in effect in the prior year, refer to accounting policy note 2. Other than the accounting policies mentioned above, all other policies have been applied consistently as in the prior year.

Operational Review

The Group performed well, despite the macro-economic climate prevalent in South Africa which presented adverse operating conditions. Nationally the economy has faced significant head-winds ahead of the national elections, with many investors opting to delay any investment decisions until after the elections. A volatile Rand and Brent Crude Oil price has seen local fuel prices add to consumers' woes. Tensions between the US and China had further consequences in that foreign investors were reluctant to invest in Emerging Markets generally, all of which lead to difficult operating conditions.

The New Plant Project did however benefit from two major developments in its favour. Firstly, the Bureau of Land Management in the United States, a strategic helium reserve in Texas supplying a significant portion of the world's helium, announced earlier in 2018 that under the Helium Stewardship Act of 2013 that its helium reserves had dropped to a level which meant it would host a final auction in August 2018, and thereafter would cease commercial supply. The US Department of Interior on the 18th of May 2018 declared helium as one of the most critical elements to US National Security, which then saw crude helium prices soar over 135% from the previous year and resulted in significant international interest in Renergen's New Plant Project which enjoys concentrations of helium far above other helium producers. The second development was higher crude oil prices, which lead to an increase in margin on the pilot plant which ultimately resulted in the Company showing its first gross profit for a semi-annual period, ending August 2018.

The most significant milestone achieved this year was the funding package from the United States government through its investment arm, the Overseas Private Investment Corporation (or OPIC) for US$40 million. The funding was hinged primarily on the need to bring new helium sources online, which has benefited the Company greatly.

The Group concluded its capital raise by undertaking an Initial Public Offering on the Australian Stock Exchange in May 2019. The Company will list on the Australian Stock Exchange in June 2019, an offering which was met with great enthusiasm, being more than two times oversubscribed, amongst investors interested in gaining exposure to helium as a commodity. This development will increase the Company's investor pool and provide additional sources of capital.

The Group signed new offtake agreements for liquefied natural gas with customers and has proven the viability of the New Plant, with the project commencing full operations by the end of March 2021.
The Directors are highly enthusiastic on the Group's prospects going into the new financial year, with strong financial support and good prospects moving forward.

Virginia

The plant has been operating at optimal capacity with positive results. Gas has been supplied to the Megabus operations for several months and not only have customers been pleased with the improvement in the quality of the commute, but the operator is experiencing savings on the fuel cost. A new CNG dispenser and additional CNG trailer have been imported to commence dispensing CNG to an additional site in Johannesburg to 15 trucks on dual fuel, which should materially increase current revenues. It is anticipated the new CNG dispensing operation will commence by the third quarter of the February 2020 financial year.

Evander

We continue to enjoy good prospects on this field and are proceeding with the necessary steps to bring this field into production.

Financial Review

- Revenue increased by 3% to R2.99 million (February 2018: R2.89 million). The increase is as a result of a higher diesel price following a weaker Rand and higher oil prices
- Cost of sales has decreased by 9% to R3.2million (February 2018: R3.5million) as a result of improved cost efficiencies
- Capital raised in preparation of the planned pipeline construction, this resulted in an increase in the cash balance from 28 February 2018
- R9.5 million spent on plant, machinery and equipment on engineering of Tetra4's Virginia operating plant expansion
- R3.8 million spent on gas exploration
- A provision of R5.8 million has been raised for commitment and administration fees incurred on the IDC funding agreement
- 500 convertible notes at AUD 1000 per note were issued with an 18-month term

Changes to the Board of Directors

Following the successful rights issue, the Board welcomes Francois Olivier to the Board as a non-executive director. Francois has 16 years of investment research and portfolio management experience, six years of which were spent in the USA. Francois is a Chartered Accountant and CFA Charter holder.

In anticipation of the ASX listing, the Board decided it was necessary to also appoint Dr David King to the Board as an independent non-executive director, effective 4 June 2019. David was a founder and director of Sapex Ltd, Gas2Grid Ltd and Eastern Star Gas Ltd. He holds an MSc in Geophysics from Imperial College, London, and a PhD in Seismology from the Australian National University, Canberra. He has substantial natural resource related experience.

These appointments add new dimension to our Board and will aid the Executive team in developing the company strategy in order to unlock returns for all of our shareholders.

3. STATED CAPITAL

The Group increased its number of shares issued to 100 135 752 from 81 035 123 shares issued in prior year.

Refer to note 13 of the consolidated financial statements for detail of the movement in authorised and issued share capital.

4. DIVIDENDS

No dividends were declared or paid to shareholders during the year.

5. DIRECTORATE

The directors in office at the date of this report are as follows:

DIRECTORS	OFFICE	DESIGNATION	APPOINTMENT DATE
Stefano Marani	Chief Executive Officer	Executive	20 November 2014
Fulu Ravele	Chief Financial Officer	Executive	25 November 2015
Nick Mitchell	Chief Operating Officer	Executive	25 November 2015
Brett Kimber	Chairperson	Non-executive Independent	17 June 2015
Mbali Swana	Deputy chairperson	Non-executive Independent	16 February 2015
Luigi Matteucci		Non-executive Independent	03 May 2016
Bane Maleke		Non-executive Independent	07 December 2016
Francois Olivier		Non-executive	19 November 2018

6. DIRECTORS' INTERESTS IN SHARES

	DIRECTORS					
	2019			2018		
EXECUTIVE DIRECTORS	**Direct %**	**Indirect %**	**Total %**	**Direct %**	**Indirect %**	**Total %**
Stefano Marani	0.26%	8.69%	**8.95%**	0.32%	10.73%	**11.05%**
Nick Mitchell	0.00%	8.59%	**8.59%**	0.00%	10.61%	**10.61%**
Total executive directors' interest	**0.26%**	**17.28%**	**17.54%**	**0.32%**	**21.34%**	**21.66%**

	2019			2018		
NON-EXECUTIVE DIRECTORS	**Direct %**	**Indirect %**	**Total %**	**Direct %**	**Indirect %**	**Total %**
Francois Olivier	0.00%	0.01%	**0.01%**	0.00%	0.00%	**0.00%**
Interest	**0.00%**	**0.01%**	**0.01%**	**0.00%**	**0.00%**	**0.00%**

One non-executive director Francois Olivier held 0.01% of the shareholding indirectly.

The register of interests of Directors and others in shares of the Group is available to the shareholder on request.

The overall executive Directors' indirect interest as at 28 February 2019 decreased to 17.28% from 21.34%.

Fulu Ravele (executive director) was granted shares in October 2017 as part of the Bonus Share Plan approved by shareholders on 29 September 2017. The vesting period at grant date was 36 months. These shares will only vest in 19 months and have not been included in the director's interest in shares above.

There were no other changes to Directors' interest between 28 February 2019 and the date of signature of this report other than those mentioned above.

7. INTERESTS IN SUBSIDIARY

Details of material interests in subsidiary companies are presented in the consolidated financial statements in notes 5.

The interest of the Group in the total net losses of its subsidiaries for the year ended 28 February 2019 are as follows:

	SUBSIDIARIES	
	2019	2018
	R'000	R'000
Tetra4 (Pty) Ltd losses after income tax	**41 159**	29 209

8. EVENTS AFTER THE REPORTING PERIOD

Renergen released a SENS announcement on its latest independent reserve review on 24 April 2019, compiled by MHA Petroleum Consultants LLC ("MHA") from the United States of America in respect of the New Plant Project held by Tetra4 indicating an increase in proven methane and helium reserves of 12.2% and 16.1% respectively since March 2018. Economic valuation was up 16.4% to R9.8 billion using a discount of 15% for proven and probable reserves (2P). Ongoing work relating to shallow conventional "White Sandstone" discovered helium concentration are up 11%.

On 9 May 2019, the company released a SENS announcement, wherein it disclosed that it released the prospectus for the Initial Public Offering (The Offer) on the Australian Stock Exchange on 8 May 2019. The Offer opened on 9 May 2019 to the Australian public and was available only to Australian and New Zealand residents accessing the website within Australia or New Zealand.

On 29 May 2019, Renergen announced the completion of The Offer which raised A$10million with oversubscriptions through the issue of 12.5million CHESS Depository Interests at a subscription price of A$0.80. Renergen also announced the appointment of a new independent non-executive director, Dr David King, effective 4 June 2019.

The directors are not aware of any other material events that occurred after the reporting period and up to the date of this report.

9. GOING CONCERN

The Consolidated and Separate Financial Statements have been prepared assuming the Group will continue as a going concern, which contemplates the realisation of assets and settlement of liabilities in the normal course of business for the foreseeable future. The Group's ability to achieve profitability is dependent on the capital spend of proceeds raised from the currently underway capital raise. The Directors have reviewed the Group's forecasts for the next twelve months and are satisfied with the Group's ability to continue as a going concern.

The Group has received a funding commitment of US$40million from Overseas Private Investment Corporation to spend towards the New Plant Project and has successfully completed a rights issue raising R125 million, as well as a secondary listing on the Australian Stock Exchange wherein the Group raised an additional A$10 million. The construction of the New Plant commences in the financial year ending February 2020. Sales of Liquified Natural Gas (LNG) and Helium (He) are expected to commence in financial year 2021. The Group has entered into off take agreements for the sale of both LNG and He.

10. AUDITORS

BDO South Africa Incorporated were appointed as auditors for the company and its subsidiaries for 2019.

Business address:
Wanderers Office Park,
52 Corlett Drive
Illovo, Johannesburg
2196

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		GROUP		COMPANY	
Figures in Rand thousands	Notes	**2019**	2018	**2019**	2018
ASSETS					
Non-Current Assets					
Property, plant and equipment	3	37 757	32 615	2 646	4 604
Intangible assets	4	70 494	65 838	14	14
Investments in subsidiaries	5	-	-	594 848	594 528
Loans to Group companies	7	-	-	184 453	135 071
Deferred tax	8	12 243	8 671	1 753	1 447
Restricted cash	9	2 178	1 632	-	-
		122 672	**108 756**	**783 714**	**735 664**
Current Assets					
Trade and other receivables	10	4 482	2 459	311	548
Other financial assets	11	-	-	5 500	5 500
Cash and cash equivalents	12	97 956	3 037	95 646	2 651
		102 438	**5 496**	**101 457**	**8 699**
Total Assets		**225 110**	**114 252**	**885 171**	**744 363**
EQUITY AND LIABILITIES					
Equity					
Stated capital	13	301 277	161 065	899 676	759 464
Share-based payment reserve	14	448	114	448	114
Accumulated loss		(121 091)	(80 231)	(23 280)	(19 464)
Equity Attributable to Parent		180 634	80 948	876 444	740 114
Non-controlling interest		(16 401)	(12 285)	-	-
Total Equity		**164 233**	**68 663**	**876 844**	**740 114**

Figures in Rand thousands	Notes	GROUP 2019	GROUP 2018	COMPANY 2019	COMPANY 2018
LIABILITIES					
Non-Current Liabilities					
Financial liabilities	15	39 647	30 545	5 149	-
Finance lease obligation	16	208	511	208	511
Provisions	17	9 829	3 100	-	-
		49 684	**34 156**	**5 357**	**511**
Current Liabilities					
Trade and other payables	18	10 855	11 167	2 632	3 472
Finance lease obligation	16	338	266	338	266
		11 193	**11 433**	**2 970**	**3 738**
TOTAL LIABILITIES		**60 877**	**45 589**	**8 327**	**4 249**
TOTAL EQUITY AND LIABILITIES		**225 110**	**114 252**	**885 171**	**744 363**
Net asset value per share (cents)		**164.01**	**84.73**		
Tangible net asset value per share(cents)		**93.61**	**3.49**		

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		GROUP		COMPANY	
Figures in Rand thousands	Notes	**2019**	2018	**2019**	2018
Revenue	19	2 987	2 885	16 487	8 600
Cost of sales	20	(3 197)	(3 483)	-	-
Gross (loss) profit		**(210)**	**(598)**	**16 487**	**8 600**
Other operating income	21	851	59	1 267	597
Share based payment	14	(334)	(114)	(11)	-
Impairment loss	23	(1 295)	(12 245)	(1 295)	(7 512)
Profit (loss) on disposal of business	31	-	4 708	-	(30)
Other operating expenses		(45 026)	(31 912)	(21 869)	(12 567)
Operating loss	24	**(46 014)**	**(40 102)**	**(5 421)**	**(10 912)**
Interest income	25	1 604	632	1 484	471
Interest and imputed interest	26	(4 138)	(3 567)	(185)	(35)
Loss before taxation		**(48 548)**	**(43 037)**	**(4 122)**	**(10 476)**
Taxation	27	3 572	2 436	306	(916)
Loss for the year		**(44 976)**	**(40 601)**	**(3 816)**	**(11 392)**
OTHER COMPREHENSIVE (LOSS):					
Items that may be reclassified to profit or loss:					
Foreign currency reserve realised on disposal of business- transfer to profit or loss	28	-	(4 737)	-	-
Foreign currency reserve	28	-	1 348	-	-
Total items that may be reclassified to profit or loss		**-**	**(3 389)**	**-**	**-**
Other comprehensive loss for the year net of taxation		**-**	**(3 389)**	**-**	**-**
Total comprehensive loss for the year		**(44 976)**	**(43 990)**	**(3 816)**	**(11 392)**

		GROUP		COMPANY	
Figures in Rand thousands	Notes	**2019**	2018	**2019**	2018
LOSS ATTRIBUTABLE TO:					
Owners of the parent		(40 860)	(37 680)	(3 816)	(11 392)
Non-controlling interest		(4 116)	(2 921)	-	-
		(44 976)	**(40 601)**	**(3 816)**	**(11 392)**
TOTAL COMPREHENSIVE LOSS ATTRIBUTABLE TO:					
Owners of the parent		(40 860)	(41 069)	(3 816)	(11 392)
Non-controlling interest		(4 116)	(2 921)	-	-
		(44 976)	**(43 990)**	**(3 816)**	**(11 392)**
LOSS PER ORDINARY SHARE					
Basic loss per ordinary share (cents)	38	**47.03**	**47.10**		
Diluted loss per ordinary share (cents)	38	**47.03**	**47.05**		

STATEMENT OF CHANGES IN EQUITY

	GROUP						
Figures in Rand thousands	**Share Capital**	**Foreign currency translation reserve**	**Share based payment reserve**	**Accumulated loss**	**Total attributable to parent**	**Non-controlling interest**	**Total Equity**
Balance at 01 March 2017	**137 585**	**3 389**	**-**	**(42 551)**	**98 423**	**(9 262)**	**89 161**
Loss after tax	-	-	-	(37 680)	**(37 680)**	(2 921)	**(40 601)**
Other comprehensive income	-	1 348	-	-	**1 348**	-	**(1 348)**
Foreign currency reserve realised on disposal of business- transfer to profit and loss	-	(4 737)	-	-	**(4 737)**	-	**(4 737)**
Issue of shares	26 000	-	-	-	**26 000**	-	**26 000**
Share issue costs	(2 520)	-	-	-	**(2 520)**	-	**(2 520)**
Share-based payment	-	-	114	-	**114**	-	**114**
Non-controlling interest at disposal - Mega Power Renewables	-	-	-	-	**-**	(102)	**(102)**
Balance at 01 March 2018	**161 065**	**-**	**114**	**(80 231)**	**80 948**	**(12 285)**	**68 663**
Adjustment on initial application of IFRS 9 and IFRS 15	-	-	-	-	**-**	-	**-**
Restated balance as at 01 March 2018	**161 065**	**-**	**114**	**(80 231)**	**80 948**	**(12 285)**	**68 663**
Loss after tax	-	-	-	(40 860)	**(40 860)**	(4 116)	**(44 976)**
Issue of shares	146 760	-	-	-	**146 760**	-	**146 760**
Share issue cost	(6 548)	-	-	-	**(6 548)**	-	**(6 548)**
Share-based payment	-	-	334	-	**334**	-	**334**
Balance at 28 February 2019	**301 277**	**-**	**448**	**(121 091)**	**180 634**	**(16 401)**	**164 233**
Notes	13	28	14				

COMPANY

Figures in Rand thousands	Share Capital	Share based payment reserve	Accumulated loss	Total equity
Balance at 01 March 2017	**735 984**	**-**	**(8 072)**	**727 912**
Loss after tax	-	-	(11 392)	**(11 392)**
Other comprehensive income	-	-	-	**-**
Issue of shares	26 000	-	-	**26 000**
Share issue costs	(2 520)	-	-	**(2 520)**
Share-based payment	-	114	-	**114**
Balance at 01 March 2018	**759 464**	**114**	**(19 464)**	**740 114**
Adjustment on initial application of IFRS 9 and IFRS 15	-	-	-	**-**
Restated balance as at 01 March 2018	**759 464**	**114**	**(19 464)**	**740 114**
Loss after tax	-	-	(3 816)	**(3 816)**
Issue of shares	146 760	-	-	**146 760**
Share issue cost	(6 548)	-	-	**(6 548)**
Share-based payment	-	334	-	**334**
Balance at 28 February 2019	**899 676**	**448**	**(23 280)**	**876 844**
Notes	13	14		

CONSOLIDATED STATEMENT OF CASH FLOWS

		GROUP		COMPANY	
Figures in Rand thousands	Notes	**2019**	2018	**2019**	2018
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash used in operations	29	(38 287)	(19 036)	(4 003)	1 506
Interest Income	25	1 604	632	1 484	471
Interest expense	26	(185)	(35)	(185)	(35)
Net cash (outflows)/inflows from operating activities		**(36 868)**	**(18 439)**	**(2 704)**	**1 942**
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of property, plant and equipment	3	(9 587)	(13 662)	(49)	(3 858)
Purchase of intangible asset	4	(3 756)	(199)	-	-
Loans granted to subsidiaries	7	-	-	(49 382)	(30 191)
Net cash from investing activities		**(13 343)**	**(13 861)**	**(49 431)**	**(34 049)**
CASH FLOWS FROM FINANCING ACTIVITIES					
Proceeds on share issue	13	146 760	26 000	146 760	26 000
Share issue costs	13	(6 548)	(2 520)	(6 548)	(2 520)
Increase in borrowings	15	5 149	-	5 149	-
Finance lease proceeds	30	-	768	-	768
Finance lease capital re-payment	30	(231)	(210)	(231)	(210)
Net cash from financing activities		**145 130**	**24 038**	**145 130**	**24 038**
Total cash movement for the year		94 919	(8 262)	92 995	(8 069)
Cash at the beginning of the year		3 037	11 299	2 651	10 720
Total cash at end of the year	**12**	**97 956**	**3 037**	**95 646**	**2 651**

1. PRESENTATION OF FINANCIAL STATEMENTS

The separate and consolidated financial statements have been prepared in accordance with International Financial Reporting Standards and the requirements of the Companies Act 71 of 2008 as amended, the JSE Listings Requirements, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and the financial reporting pronouncements as issued by the Financial Reporting Standards Council. The Group adopted new accounting standards during the current year which were not in effected in the prior year, refer to accounting policy note 2. Other than the accounting policies mentioned above, all other policies have been applied consistently as in the prior year.

1.1 CONSOLIDATION

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Group and all investees which are controlled by the Group.

Consolidation of subsidiaries

The results of subsidiaries are included in the consolidated financial statements from the effective date of acquisition to the effective date of disposal.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group (acquisition date) and are deconsolidated from the date that control ceases (disposal date). The Group controls an entity when it is exposed or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

All intercompany transactions and balances between Group companies are eliminated on consolidation.

Where necessary, adjustments are made to the financial statements of subsidiaries to align any difference in accounting policies with those of the Group.

The company accounts for investments in subsidiaries at cost, less accumulated impairment losses.

The Group's subsidiary as at 28 February 2019 is set out below. The share capital consists solely of ordinary shares that are held directly by the Group, and the proportion of ownership interests held equals the voting rights held by the Group. The country of incorporation or registration is also their principal place of business.

NAME OF ENTITY	PLACE OF BUSINESS	OWNERSHIP INTEREST HELD BY THE GROUP	OWNERSHIP INTEREST HELD BY NON-CONTROLLING INTEREST	PRINCIPAL ACTIVITIES
Tetra4 Propriety Limited	South Africa	90% (2018: 90%)	10% (2018: 10%)	Explores, develops and sells compressed natural gas to the South African market

Non-controlling interest

Non-controlling interests in the net assets of consolidated subsidiaries are identified and recognised separately from the group's interest therein and are recognised within equity. Losses of subsidiaries attributable to non-controlling interests are allocated to the non-controlling interest even if this results in a debit balance being recognised for non-controlling interest.

Business combinations

The Group accounts for business combinations using the acquisition method of accounting. The cost of the business combination is measured as the aggregate of the fair values of assets given, liabilities incurred or assumed and equity instruments issued. Costs directly attributable to the business combination are expensed as incurred, except the costs to issue debt which are amortised as part of the effective interest and costs to issue equity which are included in equity. The excess of the consideration transferred over the fair value of the Group's share of the identifiable net assets of the subsidiary acquired is recorded as goodwill. If the consideration transferred is less than the Group's share of the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the statement of comprehensive income. When necessary, accounting policies of subsidiaries have been changed to ensure consistency with the policies adopted by the Group.

1.2 SIGNIFICANT JUDGEMENTS AND SOURCES OF ESTIMATION UNCERTAINTY

In preparing the financial statements, management is required to make estimates and assumptions that affect the amounts represented in the financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the financial statements. Significant judgements include:

Control of subsidiaries

Judgement is required to determine when Renergen has control over a subsidiary. Renergen as an investor considers the following to determine whether it has control over an investee:

- Power over the investee, which occurs when Renergen has existing rights that give it the current ability to direct activities that significantly affect the investee's returns such as selling and purchasing of goods and services; appointing, remunerating and terminating the key management personnel or service providers of the of the operations; selecting, acquiring, and disposing of assets; researching and developing new products and processes and determining a funding structure or obtaining funding
- Exposure, or rights, to variable returns from its involvement with the investee such as management fees and dividends
- It's ability to use its power over the investee to affect the amount of the investor's returns

Financial assets

At the end of each reporting period the Group determines a loss allowance for expected credit losses on financial assets. The expected credit losses are estimated with reference to current observable data and forward-looking information.

The Group recognises a loss allowance for a financial asset at an amount equal to 12-months expected credit losses where the credit risk on the financial asset has not increased significantly since initial recognition. The Group recognises lifetime expected credit losses when there has been a significant increase in the credit risk since initial recognition. The loss allowance for financial assets is calculated on a subsidiary basis.

Determining an increase in significant credit risk is a significant judgement and determining expected credit losses results in estimation uncertainty.

Impairment testing

The recoverable amounts of cash-generating units and individual assets have been determined based on the higher of value-in-use calculations and fair values less costs to sell. These calculations require the use of estimates and assumptions. It is reasonably possible that the assumption may change which may then impact our estimations and may then require a material adjustment to the carrying value of tangible assets.

The Group reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. Assets are Grouped at the lowest level for which identifiable cash flows are largely independent of cash flows of other assets and liabilities. If there are indications that impairment may have occurred, estimates are prepared of expected future cash flows for each Group of assets. Expected future cash flows used to determine the value in use of tangible assets are inherently uncertain and could materially change over time. They are significantly affected by several factors.

Useful lives of property, plant and equipment

Management reviews its estimate of the useful lives and residual values of depreciable assets and intangible assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical obsolescence or depleting gas reserve volumes that may change the utility of certain assets.

Provision for environmental rehabilitation

A provision for future restoration, rehabilitation and decommissioning costs requires estimates and assumptions to be made around the relevant regulatory framework, the magnitude of the possible disturbance and the timing, extent and costs of the required closure and rehabilitation activities. Most of these rehabilitation and decommissioning events are expected to take place in the future and the currently estimated requirements and costs that will have to be met when the restoration event occurs are inherently uncertain and could materially change over time.

In calculating the appropriate provision for the expected restoration, rehabilitation or decommissioning obligations, cost estimates of the future potential cash outflows based on current studies of the expected rehabilitation activities and timing thereof, are prepared.

As the actual future costs can differ from the estimates due to changes in laws, regulations, technology, costs and timing, the provisions including the estimates and assumptions contained therein are reviewed regularly by management.

Taxation

Judgement is required in determining the provision for income taxes due to the complexity of legislation. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

The Group recognises the net future tax benefit related to deferred tax assets to the extent that it is probable that the deductible temporary differences will reverse in the foreseeable future. Assessing the recoverability of deferred tax assets requires the Group to make significant estimates related to expectations of future taxable income. Estimates of future taxable income are based on forecast cash flows from operations and the application of existing tax laws in each jurisdiction. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Group to realise the net deferred tax assets recorded at the end of the reporting period could be impacted.

1.3 PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment is carried at cost less accumulated depreciation and accumulated impairment losses.

Property, plant and equipment is initially measured at cost. Cost includes all of the expenditure which is directly attributable to the acquisition or construction of the asset.

Expenditure incurred subsequently for major services, additions to or replacements of parts of property, plant and equipment are capitalised if it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost can be measured reliably. Day to day servicing costs are included in profit or loss in the year in which they are incurred.

Depreciation is charged to write off the asset's carrying amount over its estimated useful life to its estimated residual value, using a method that best reflects the pattern in which the asset's economic benefits are consumed by the Group. Assets under construction are not depreciated as they are not ready and available for the use intended by management. Leased assets are depreciated in a consistent manner over the shorter of their expected useful lives and the lease term.

The useful lives of items of property, plant and equipment have been assessed as follows:

ITEM	DEPRECIATION METHOD	AVERAGE USEFUL LIFE
Computer software	Straight line	10 years
Furniture and fittings	Straight line	6 years
IT equipment	Straight line	3 years
Assets under construction	Not applicable	Not applicable
Motor vehicles	Straight line	5 years
Office equipment	Straight line	6 years
Plant and machinery	Straight line	10 years
Leasehold improvements - Furniture and fittings	Straight line	6 years
Leasehold improvements - Office equipment	Straight line	6 years
Finance - motor vehicle	Straight line	5 years

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting year. If the expectations differ from previous estimates, the change is accounted for prospectively as a change in accounting estimate.

The depreciation charge for each year is recognised in profit or loss unless it is included in the carrying amount of another asset.

Impairment tests are performed on property, plant and equipment when there is an indicator that they may be impaired. When the carrying amount of an item of property, plant and equipment is assessed to be higher than the estimated recoverable amount, an impairment loss is recognised immediately in profit or loss to bring the carrying amount in line with the recoverable amount.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its continued use or disposal.

1.4 INTANGIBLE ASSETS

Intangible assets are initially recognised at cost, less any accumulated amortisation and all impairment losses. Expenditure on research (or on the research phase of an internal project) is recognised as an expense when it is incurred.

An intangible asset arising from development (or from the development phase of an internal project) is recognised when:

- it is technically feasible to complete the asset so that it will be available for use or sale
- there is an intention to complete and use or sell it
- there is an ability to use or sell it
- it will generate probable future economic benefits
- there are available technical, financial and other resources to complete the development and to use or sell the asset
- the expenditure attributable to the asset during its development can be measured reliably
- Intangible assets are carried at cost less any accumulated amortisation and any impairment losses

The amortisation period and the amortisation method for intangible assets are reviewed every reporting period.

Reassessing the useful life of an intangible asset with a finite useful life after it was classified as indefinite is an indicator that the asset may be impaired. As a result, the asset is tested for impairment and the remaining carrying amount is amortised over its pattern of use. All assets with finite useful life are assessed for impairment annually.

ITEM	AMORTISATION METHOD
Exploration and development costs	Pattern of use (units)
Molopo project mineral rights	Pattern of use (units)
Domain names	Indefinite useful lives

1.5 FINANCIAL INSTRUMENTS

Adoption of IFRS 9

Classification

The Group classifies financial assets and financial liabilities into the following categories:

- Financial assets are classified as either financial assets at amortised cost, at fair value through other comprehensive income (FVTOCI) or at fair value through profit or loss (FVTPL) depending upon the business model for managing the financial assets and the nature of the contractual cash flow characteristics of the financial asset
- Financial liabilities are measured at amortised cost

Application of IAS 39 for comparative information

Financial instruments are measured initially at fair value, except for equity investments for which a fair value is not determinable, which are measured at cost and are classified as available-for-sale financial assets. For financial instruments which are not at fair value through profit or loss, transaction costs are included in the initial measurement of the instrument.

Initial recognition and measurement

Financial instruments are recognised initially when the Group becomes a party to the contractual provisions of the instruments.

Financial assets are initially recognised at fair value on the trade date, including, in the case of instruments not recorded at fair value through profit or loss, directly attributable transaction costs.

Financial liabilities are initially recognised at fair value of consideration received net of transaction costs as appropriate.

Subsequent measurement

Trade receivables, loans and other receivables are carried at amortised cost adjusted for any loss allowance. Financial liabilities are subsequently measured at amortised cost, using the effective interest method.

Application of IAS 39 for comparative information

Loans and receivables are subsequently measured at amortised cost, using the effective interest method, less accumulated impairment losses.

Impairment of financial assets

A loss allowance for expected credit losses is determined for all financial assets, other than those at FVTPL, at the end of each reporting period. The expected credit loss recognised represents a probability-weighted estimate of credit losses over the expected life of the financial instrument.

The Group applies the simplified approach to measure the loss allowance for trade receivables classified at amortised cost, using the lifetime expected loss provision. The expected credit losses on these financial assets is estimated with reference to past default experience, adjusted as appropriate for current observable data and forward-looking information.

For all other financial assets at amortised cost, the Group recognises lifetime expected credit losses when there has been a significant increase in credit risk since initial recognition, which is determined by:

- A review of overdue amounts
- Comparing the risk of default at the reporting date and at the date of initial recognition
- An assessment of relevant historical and forward-looking quantitative and qualitative information

For those balances that are beyond 30 days overdue it is presumed to be an indicator of a significant increase in credit risk.

If the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-months expected credit loss, which comprises the expected lifetime loss from the instrument were a default to occur within 12 months of the reporting date.

The Group considers an event of default has materialised and the financial asset is credit impaired when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay the Group. The Group writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery.

Application of IAS 39 for comparative information

Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the financial asset is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

The carrying amount of the asset is reduced using an allowance account, and the amount of the loss is recognised in profit or loss within operating expenses.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted on an active market. They arise when the Group provides money, goods or services directly to a debtor with no intention of trading the receivable. They are included in current assets, except for maturities of greater than 12 months after the balance sheet date which are classified as non-current assets. Loans and receivables are initially recognised at fair value including originating fees and transaction costs, and subsequently measured at amortised cost using the effective interest method less any loss allowance. A loss allowance for expected credit losses is determined at the end of each reporting period. Loans and receivables include amounts owed by associates, amounts owed by joint ventures, accrued income and cash and cash equivalents.

Trade and other receivables

Trade receivables are measured at initial recognition at fair value and are subsequently measured at amortised cost using the effective interest rate method. A loss allowance for expected credit losses is determined at the end of each reporting period.

The carrying amount of the asset is reduced through the use of a loss allowance account, and the amount of the loss is recognised in profit or loss within operating expenses. When a trade receivable is uncollectable, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against operating expenses in profit or loss.

Trade and other payables

Trade payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

Cash and cash equivalents

In the consolidated statement of financial position cash and cash equivalents includes cash in hand. Cash and cash equivalents are measured at amortised cost.

Restricted cash

The Group has cash deposits in call accounts that have been ring-fenced. These cash deposits are used for environmental rehabilitation. This cash is not treated as cash and cash equivalent.

Other financial assets

Other financial assets held at amortised cost include a loan to minority shareholders held as a current asset. The loan is held at cost and is repayable on demand. A loss allowance for expected credit losses is determined at the end of each reporting period.

Convertible debt instruments

The Group classifies a financial instrument as either a financial liability or an equity instrument according to the substance of the contract and not it's legal form. Convertible notes meet the definition of a financial liability as the Group has a contractual obligation to delivery cash to the note holder, furthermore the Group does not have an unconditional right to avoid delivering cash to settle the contractual obligation.

Conversion option

There is a conversion option attached to the Notes, granting the holder the right to convert the Notes into a variable number of ordinary shares. The conversion option meets the definition of a financial liability as such, making the Notes a hybrid financial instrument. The conversion option is closely related to the Notes and is therefore, not accounted for separately from the Notes.

On initial recognition, the Notes are measured at fair and any premium or discount on issue is written off over the redemption period using the effective interest rate method. Issue costs are charged directly to the liability on the date of issue.

Convertible Notes are subsequently measured at amortised cost.

Other financial liabilities

Other financial liabilities are recognised initially at fair value, net of transaction costs, and are subsequently stated at amortised cost and include accrued interest and prepaid interest. Other financial liabilities are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months from the balance sheet date.

Derecognition of financial assets and liabilities

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

The Group derecognises financial liabilities when the Group's obligations are discharged, cancelled or have expired.

On derecognition of a financial asset/financial liability in its entirety, the difference between the carrying amount of the financial asset/financial liability and the sum of the consideration received and receivable/paid and payable is recognised in profit and loss.

1.6 SHARE-BASED PAYMENTS

Long-term employee benefits – Bonus Shares

The Group operates an equity-settled compensation plan where the Governance, Ethics and Transformation, Social, Compensation Committee makes an award of forfeitable shares to the executive Directors, prescribed officers, senior management and key employees of the Group. These are referred to as Bonus Shares. The number of Bonus Shares awarded depends on the individual's annual cash bonus that has been deferred. The Bonus Shares vest after three years' service from grant date. This is the only vesting condition pertaining to the Bonus Shares. No other vesting conditions exist. The terms and conditions of the Bonus shares, after vesting are the same as those traded publicly.

The fair-value of the equity-settled instruments is measured by reference to the fair value of the equity instrument granted. Fair value is based on a 30-day volume weighted average market price of the equity-settled instruments granted. The grant date fair value of the equity-settled instruments is recognised as an employee benefit expense over the vesting period, with a corresponding increase in the share-based payment reserve.

1.7 TAX

Current tax assets and liabilities

Current tax for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset.

Current tax liabilities (assets) for the current and prior periods are measured at the amount expected to be paid to (recovered from) the tax authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and liabilities

A deferred tax liability is recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from the initial recognition of an asset or liability in a transaction which at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss) and is not part of a business combination or the initial recognition of goodwill.

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised. A deferred tax asset is not recognised when it arises from the initial recognition of an asset or liability in a transaction at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss) and is not part of a business combination.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Tax expenses

Current and deferred taxes are recognised as income or an expense and included in profit or loss for the period.

Current tax and deferred taxes are charged or credited to other comprehensive income if the tax relates to items that are credited or charged, in the same or a different period, to other comprehensive income.

Current tax and deferred taxes are charged or credited directly to equity if the tax relates to items that are credited or charged, in the same or a different period, directly in equity.

1.8 LEASES

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

Operating leases – lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset. This liability is not discounted.

1.9 PROVISIONS AND CONTINGENCIES

The amount of a provision is the present value of the expenditure expected to be required to settle the obligation.

Provisions are not recognised for future operating losses.

a. Environmental Rehabilitation Provision

Long-term environmental obligations are based on the Group's environmental management plans, in compliance with applicable environmental and regulatory requirements. The estimated costs of rehabilitation are reviewed annually and adjusted as appropriate for changes in legislation, technology or other circumstances. Cost estimates are not reduced by the potential proceeds from the sale of assets or from plant clean up at closure. Changes in estimates are capitalised or reversed against the relevant asset to the extent that it meets the definition of dismantling and removing the item and restoring the site on which it is located. Costs that relate to an existing condition caused by past operations and do not have a future economic benefit are recognised in profit or loss.

The Group's operations are required by law to undertake rehabilitation work as part of their ongoing operations. The Group makes contributions into environmental rehabilitation obligation funds (refer to note 16) and holds guarantees to fund the estimated costs.

b. Royalty Provision

The Mineral and Petroleum Resource Royalty Act 2008 (Royalty Act) imposes a royalty on refined mineral resources that have undergone a comprehensive level of beneficiation such as smelting and refining as defined in Schedule 1 of the Royalty payable to the State. The royalty in respect of refined minerals is calculated by dividing earnings before interest and taxes (EBIT) by the product of 12.5 times gross revenue calculated as a percentage, plus an additional 0.5%. EBIT refers to taxable mining income (with certain exceptions such as no deduction for interest payable and foreign exchange losses) before assessed losses but after capital expenditure.

The natural gas is compressed, scrubbed and dried in the compressor, the compressor is considered as the "refinery" and thus, the royalty is calculated based on the condition of the gas at the inlet of the compressor. The provision for royalties is included in trade and ther payables.

1.10 REVENUE FROM CONTRACTS WITH CUSTOMERS

Adoption of IFRS 15

Disaggregation of revenue from contracts with customers

The Group derives revenue from the sale of compressed natural gas (CNG) in the Free State province of South Africa to one customer on delivery of CNG.

Inter-company revenue relates to management fees earned by the holding company from its subsidiary Tetra4.

Revenue is recognised when the performance obligations have been satisfied, which is once control of the goods and/or services has transferred from the Group to the buyer. Revenue is measured based on consideration specified in the contract with a customer and excludes amounts collected on behalf of third parties.

The main categories of revenue and the basis of recognition is as follows:

Sales of compressed natural gas (CNG)

Revenue related to the sale of goods is recognised when the product is delivered to the destination specified by the customer and the buyer has gained control through their ability to direct the use of and obtain substantially all the benefits from the asset. The consideration received is allocated to the goods based on their selling price.

Management fees earned by the holding company

Intercompany revenue relating to the management fees paid to the holding company is recognised as these services are provided. The management fees are paid monthly by the subsidiary company. The consideration is allocated based on the management fees as per the contract.

Disaggregation of assets from contracts with customers

Current assets relating to contracts with customers (receivables), no allowances. Non-current assets relating to contracts with customers (receivables), no allowances.

The Group offers customers 30 days from the date of the statement to make payment.

Application of IAS 18 for comparative information

Revenue is recognised to the extent that it is probable that economic benefits will flow to the Group and the amount of revenue can be reliably measured.

Revenue arising from Compressed Natural Gas (CNG) sales is recognised at the fair value of the consideration received or receivable, once the significant risks and rewards of ownership have passed to the buyer. These criteria are typically met when the CNG is delivered to the customer. The price of CNG is determined by market diesel price forces.

Monthly pricing is based on the monthly average diesel price less agreed discounts in the month of settlement.

The determination of management fees revenue requires management to assess the costs incurred by head office on behalf of its subsidiaries.

1.11 COST OF SALES

Cost of sales entails the costs of conversion which are costs directly related to production. These costs include plant depreciation and maintenance and salaries of plant staff.

1.12 TRANSLATION OF FOREIGN CURRENCIES

Functional and presentation currency

All items in the financial statements of the Group's subsidiaries are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The Group's consolidated financial statements are presented in South African Rand, which is Renergen's functional currency and the Group's presentation currency.

Transactions and balances

Foreign currency income and expenses are translated into the functional currency using the spot rate on transaction date and assets and liabilities are translated at the closing rate of the relevant month. Gains and losses resulting from the settlement of such transactions, and from the translation of monetary assets and liabilities denominated in foreign currencies at closing rates, are recognised in the statement of comprehensive income.

Foreign Operations

The results and the financial position of the Group subsidiary that has a functional currency that is different from the presentation currency of the Group are translated into the presentation currency as follows:

a. Assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position

b. Income and expenses for each statement of comprehensive income presented are translated at the average exchange rates for the period presented

c. All resulting translation differences are recognised in other comprehensive income and presented as a separate component of equity in the foreign currency translation reserve (FCTR)

On consolidation, exchange rate differences arising from the translation of the net investment in foreign operations are also taken to the FCTR. The Group's net investment in a foreign operation is equal to the equity investment plus all monetary items that are receivable from or payable to the foreign operation, for which settlement is neither planned nor likely to occur in the foreseeable future.

When a foreign operation is disposed of or sold, and the Group loses control, joint control or significant influence over the foreign operation, all related exchange rate differences recognised in other comprehensive income and accumulated in equity in the FCTR are reclassified from equity to the statement of comprehensive income as part of the profit or loss on the sale of the operation.

Fair value adjustments arising on the acquisition of a foreign subsidiary are treated as assets and liabilities of the foreign subsidiary and are translated at the closing rate.

The key exchange rates to the South Africa Rands used in preparing the consolidated financial statements were as follows:

AVERAGE RATE	2018
Euro	14.3057

1.13 SEGMENT INFORMATION

An operating segment is a component of the Group that engages in business activities which may earn revenues and incur expenses and whose operating results are regularly reviewed by the Group's chief operating decision maker (Renergen Limited's Chief Executive Officer) to allocate resources and assess performance and for which discrete financial information is available. Refer to Note 6.

The Group has the following reportable segments:

Corporate Head Office

Corporate head office is a segment where all investment decisions are made. Renergen Limited is investment holding company focused on investing in prospective green projects.

Tetra4 (Pty) Ltd

Tetra4 explores, develops and sells compressed natural gas to the South African market.

Mega Power Renewables

Mega Power Renewables is in Côte d'Ivoire. This segment is managing the development of a hydroelectric project. Its functional currency is Euros. Mega Power Renewables was disposed of as at 28 February 2018.

1.14 INVESTMENT IN SUBSIDIARIES

Subsidiaries are entities over which Renergen has power to govern the financial and operating policies and has an accompanying shareholding of more than half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the company controls another entity.

The purchase method of accounting is used to account for the acquisition of subsidiaries. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued, or liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values on the date of acquisition.

Subsequently the investment in subsidiaries is increased by the allocation of shares to employees within the Scheme annually.

2. NEW STANDARDS AND INTERPRETATIONS

2.1. STANDARDS AND INTERPRETATIONS EFFECTIVE AND ADOPTED IN THE CURRENT YEAR

In the current year, the Group has adopted the following standards and interpretations that are effective for the current financial year and that are relevant to its operations:

IFRS 15 Revenue from Contracts with Customers

IFRS 15 applies to revenue from contracts with customers and replaces all of the revenue standards and interpretations in IFRS. The standard outlines the principles an entity must apply to measure and recognise revenue and the related cash flows.

The core principle of IFRS 15 is that an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

An entity recognises revenue in accordance with that core principle by applying the following steps:

2.1.1 Identify the contract(s) with a customer

2.1.2 Identify the performance obligations in the contract

2.1.3 Determine the transaction price

2.1.4 Allocate the transaction price to the performance obligations in the contract

2.1.5 Recognise revenue when (or as) the entity satisfies a performance obligation

The Group has assessed the impact of the of the new standard based on a review of contractual terms of its principal revenue streams with the primary focus being to understand whether the timing and amount of revenue recognised could differ under IFRS 15.

The Group's revenue is derived from commodity sales, for which the point of recognition is dependent upon contract sales term, the transfer of risks and rewards as defined by IAS 18 and the transfer of control as defined by IFRS 15 generally coincides with the fulfilment of performance obligations under the contract. As such, the adoption of IFRS 15 has had no material impact in respect of timing and amount of revenue recognised by the Group and accordingly prior period amounts were not restated and no transition adjustments have been made to the opening retained earnings as at the date of initial application. The practical expedient has not been applied as the Group only has one contract with one customer.

The effective date of the standard is for years beginning on or after 01 January 2018. The Group has adopted the standard for the first time in the 2019 financial statements.

IFRS 9 Financial Instruments

IFRS 9 supersedes IAS 39 "Financial Instruments: Recognition and Measurement" and covers classification and measurement of financial assets and financial liabilities, impairment of financial assets and hedge accounting. IFRS 9 modifies the classification and measurement of certain classes of financial assets and liabilities, reflecting the business model in which assets are managed and their cash flow characteristics. Financial liabilities continue to be measured at either fair value through profit and loss or amortised cost. In addition, IFRS 9 introduced an expected credit loss ("ECL") impairment model, which means that anticipated as opposed to incurred credit losses are recognised resulting in earlier recognition of impairments.

The effective date of the standard is for years beginning on or after 1 January 2018.

Changes in accounting policies resulting from IFRS 9 have been applied as at 1 March 2018, with no restatement of comparative information for the prior year. There is no difference in classification and measurement between IAS 39 and IFRS 9 and thus no transition adjustments have been made to the opening retained earnings as at the date of initial application. All financial assets were previously and are still carried at amortised cost.

2.2. STANDARDS AND INTERPRETATIONS NOT YET EFFECTIVE

The Group has chosen not to early adopt the following standards and interpretations, which have been published and are mandatory for the Group's accounting periods beginning on or after 01 March 2019 or later periods:

IFRS 16 Leases

IFRS 16 provides a comprehensive model for identification of lease arrangements and their treatment (on-balance sheet) in the financial statements of both lessees and lessors. It supersedes IAS 17 Leases and its associated interpretative guidance.

Under the new standard, a lessee is required to recognise the present value of the unavoidable lease payments as a lease liability on the statement of financial position (including those currently classified as operating leases) with a corresponding right of use asset. The unwind of the financial charge on the lease liability and amortisation of the leased asset are recognised in the statement of income based on the implied interest rate and contract term respectively. The Group's recognised assets and liabilities will increase and affect the presentation and timing of related depreciation and interest charges in the consolidated statement of profit or loss and other comprehensive Income. Upon adoption of IFRS 16, the most significant impact will be the present value of the operating lease commitments (see note 33) being shown as a liability on the statement of financial position together with an asset representing the right of use, which are unwound and amortised to profit or loss over time.

The Group will apply the modified retrospective approach. Under this approach, the Group will not restate amounts previously reported and will apply the practical expedient to retain the classification of existing contracts as leases under current accounting standards (i.e. IAS 17) instead of reassessing whether existing contracts are/or contain a lease at the date of initial application provided these contracts are ending within 12 months of the date of initial application.

As at 28 February 2019, the Group did not have any non-cancellable operating lease commitments.

The Group leases two office premises on an operating lease arrangement, one of which is a short-term lease which expires within the first half of the new financial year (February 2020) with no intentions to renew. The expense will be recognized on a straight-line basis in profit and loss. Management intends to renew its head office lease for an additional three years in July 2019 the impact of the lease is approximately R95 354 on profit or loss and the Group will recognize a right-of-use asset and a corresponding lease liability of approximately R270 509.

The Group leases vehicles on a finance lease basis, the new standard will have no material impact on these lease arrangements.

The Group will adopt the standard from the reporting period beginning 1 March 2019. The right of use for property leases will be measured at the amount of lease liability on adoption (adjusted for prepaid or accrued lease expenses) and any adjustment from the reversal of a straight-lining liability will be credited against the opening retained earnings balance.

3. PROPERTY, PLANT AND EQUIPMENT

GROUP

Figures in Rand thousands	**2019** Cost	**2019** Accumulated depreciation and impairment	**2019** Carrying Value	2018 Cost	2018 Accumulated depreciation and impairment	2018 Carrying Value
Assets under construction	19 491	-	19 491	10 090	-	10 090
Plant and machinery	20 335	(5 610)	14 725	20 335	(3 625)	16 710
Furniture and fixtures	783	(322)	461	751	(197)	554
Motor vehicles	2 086	(1 425)	661	2 086	(1 098)	988
Office equipment	144	(80)	64	134	(63)	71
IT equipment	366	(219)	147	248	(123)	125
Computer software	1 434	(319)	1 115	2 933	(234)	2 699
Finance lease motor vehicle	857	(252)	605	857	(80)	777
LEASEHOLD IMPROVEMENTS:						
Office Equipment	152	(59)	93	146	(35)	111
Furniture and fixtures	567	(172)	395	567	(77)	490
Total	**46 215**	**(8 458)**	**37 757**	**38 147**	**(5 532)**	**32 615**

COMPANY

Figures in Rand thousands	**2019** Cost	**2019** Accumulated depreciation and impairment	**2019** Carrying Value	2018 Cost	2018 Accumulated depreciation and impairment	2018 Carrying Value
Furniture and fixtures	728	(297)	431	706	(180)	526
Office equipment	95	(41)	54	95	(25)	70
IT equipment	38	(29)	9	38	(17)	21
Computer software	1 248	(189)	1 059	2 747	(138)	2 609
Finance lease motor vehicle	857	(252)	605	857	(80)	777
LEASEHOLD IMPROVEMENTS:						
Office Equipment	152	(59)	93	146	(35)	111
Furniture and fixtures	567	(172)	395	567	(77)	490
Total	**3 685**	**(1 039)**	**2 646**	**5 156**	**(552)**	**4 604**

RECONCILIATION OF PROPERTY, PLANT AND EQUIPMENT

	GROUP 2019				
Figures in Rand thousands	**Opening balance**	**Additions**	**Depreciation**	**Impairment**	**Total**
Assets under construction	10 090	9 401	-	-	19 491
Plant and machinery	16 710	-	(1 985)	-	14 725
Furniture and fixtures	554	32	(125)	-	461
Motor vehicles	988	-	(327)	-	661
Office equipment	71	10	(17)	-	64
IT equipment	125	117	(95)	-	147
Computer software	2 699	21	(310)	(1 295)	1 115
Finance lease motor vehicle	777	-	(172)	-	605
LEASEHOLD IMPROVEMENTS:					
Office Equipment	111	6	(24)	-	93
Furniture and fixtures	490	-	(95)	-	395
Total	**32 615**	**9 587**	**(3 150)**	**(1 295)**	**37 757**

	GROUP 2018			
Figures in Rand thousands	**Opening balance**	**Additions**	**Depreciation**	**Total**
Assets under construction	506	9 584	-	10 090
Plant and machinery	18 665	30	(1 985)	16 710
Furniture and fixtures	487	173	(106)	554
Motor vehicles	1 315	-	(327)	988
Office equipment	87	1	(17)	71
IT equipment	110	85	(70)	125
Computer software	9	2 839	(149)	2 699
Finance lease motor vehicle	194	646	(63)	777
LEASEHOLD IMPROVEMENTS:				
Office Equipment	97	36	(22)	111
Furniture and fixtures	286	268	(64)	490
Total	**21 756**	**13 662**	**(2 803)**	**32 615**

RECONCILIATION OF PROPERTY, PLANT AND EQUIPMENT

	COMPANY 2019				
Figures in Rand thousands	Opening balance	Additions	Depreciation	Impairment loss	Total
Furniture and fixtures	525	24	(118)	-	431
Office equipment	70	-	(16)	-	54
IT equipment	21	-	(12)	-	9
Computer software	2610	21	(277)	(1 295)	1 059
Finance lease motor vehicle	777	-	(172)	-	605
LEASEHOLD IMPROVEMENTS:					
Office Equipment	111	6	(24)	-	93
Furniture and fixtures	490	-	(95)	-	395
Total	**4 604**	**51**	**(714)**	**(1 295)**	**2 646**

	COMPANY 2018			
Figures in Rand thousands	Opening balance	Additions	Depreciation	Total
Furniture and fixtures	462	164	(101)	525
Office equipment	84	-	(14)	70
IT equipment	30	-	(9)	21
Computer software	3	2 744	(137)	2 610
Finance lease motor vehicle	194	646	(63)	777
LEASEHOLD IMPROVEMENTS:				
Office Equipment	97	36	(22)	111
Furniture and fixtures	286	268	(64)	490
Total	**1 156**	**3 858**	**(410)**	**4 604**

Computer software is classified as property, plant and equipment as it is a significant component and not separable from the computer.

During the year computer software to the value of R1.3 million was written off as a result of the software not facilitating a suitable integrated risk management solution to Renergen and its subsidiary.

4. INTANGIBLE ASSETS

Figures in Rand thousands	GROUP 2019 Cost	GROUP 2019 Accumulated Amortisation and Impairment	GROUP 2019 Carrying Value	GROUP 2018 Cost	GROUP 2018 Accumulated Amortisation and Impairment	GROUP 2018 Carrying Value
Côte d'Ivoire Hydroelectric project	-	-	-	12 245	(12 245)	-
Exploration and development costs	13 006	(32)	12 974	9 250	(32)	9 218
Molopo project mineral rights	57 479	-	57 479	56 579	-	56 579
Domain	41	-	41	41	-	41
Total	**70 526**	**(32)**	**70 494**	**78 115**	**(12 277)**	**65 838**

Figures in Rand thousands	COMPANY 2019 Cost	COMPANY 2019 Accumulated Amortisation and Impairment	COMPANY 2019 Carrying Value	COMPANY 2018 Cost	COMPANY 2018 Accumulated Amortisation and Impairment	COMPANY 2018 Carrying Value
Domain	**14**	**-**	**14**	**14**	**-**	**14**

RECONCILIATION OF INTANGIBLE ASSETS

Figures in Rand thousands	GROUP 2019 Opening balance	Additions	Total
Exploration and development costs	9 218	3 756	12 974
Molopo project mineral rights*	56 579	900	57 479
Domain	41	-	41
Total	**65 838**	**4 656**	**70 494**

* Additions in mineral project rights pertain to increase in the environmental rehabilitation guarantee issued to Tetra4 by Lombard Insurance.

Figures in Rand thousands	GROUP 2018					
	Opening balance	Additions	Foreign exchange move-ments	Amortisa-tion	Impair-ment loss	Total
Côte d'Ivoire Hydroelectric project	10 897	-	1 348	-	(12 245)	-
Exploration and development costs	9 038	199	-	(19)	-	9 218
Molopo project mineral rights	56 579	-	-	-	-	56 579
Domain	41	-	-	-	-	41
Total	**76 555**	**199**	**1 348**	**(19)**	**(12 245)**	**65 838**

Figures in Rand thousands	COMPANY			
	2019		2018	
	Opening balance	Total	Opening balance	Total
Domain	**14**	**14**	**14**	**14**

Exploration and development costs

These are costs incurred in the exploration and development of natural gas reserves. Tetra4 (Pty) Ltd explores and develops natural gas in its exploration and production rights areas. Amortisation commenced upon start of production. Intangible mineral rights are amortised based on the pattern of use.

No amortization was recognized in the current financial year as the balance of the gas reserves increased by significantly higher than the rate of gas produced. Production increased from 55 216 GJ to 138 million GJ of Methane reserves in the current year.

Impairment of exploration and development costs:

The costs are tested for impairment annually. The carrying value of the developed reserves is deemed recoverable as the company continues to perform exploratory drilling activities, it has proven the existence and commercial value of more gas reserves.

Molopo Mineral Rights

The Group holds production and exploration rights through Tetra4 (Pty) Ltd, bearing reference 12/4/07 over land in the magisterial districts of Ventersburg, Welkom and Odendaalrus in the province of the Free State.

The carrying amount of the assets is R57.5 million, Exploration and Development costs and Molopo Project Mineral Rights will be recovered through value in use as determined through the units of production and life of the mine. There was minimal production done on the Molopo Project for the year ended 28 February 2019. The production levels of the gas reserves were immaterial and thus no amortisation was raised.

Impairment of Mineral Rights:

Intangible assets not yet ready for use are tested for impairment annually. The recoverable amount was determined based on the value in use calculation based on the expected cashflows from the remaining useful lives of the exploration and production rights.

MHA Petroleum Consultants LLC prepared gas reserve estimates for the Group signed off on 1 March 2019. Net reserve volumes of total Proved Plus Probable Helium and Methane Reserves measured at 142,4BCF. Reserve volumes have been reported on a Group net basis.

MHA report indicates a net present value of R9.8 billion representing 2P proven and probable gas reserves at 15% discount. The net present value of R9.8 billion represents the recoverable amount of Tetra4's gas reserves, which exceeds the carrying value of the Mineral rights.

MHA from the United States of America has conducted an independent assessment of the unconventional methane and helium reserves and resources in the Tetra4 Virginia Gas Field. This evaluation is primarily an economic update based on analysis methodology that MHA has conducted using the technical and economic data supplied by Tetra4. This evaluation includes estimates of recoverable methane and helium volumes from Proved Developed Non-Producing wells, Proved Undeveloped locations, total proved, probable and possible reserves. The resource and reserve estimates and associated economics contained in the report are prepared in accordance with the Society of Petroleum Engineers, Petroleum Resources Management which provides guidance and provides a Technical Value. The estimates are also in accordance with the Australian Stock Exchange rules.

The report is also supplemented by MHA's corporate awareness of the current South African industry costa and best practices. The assessment is based on a 30-year period.

Domain

The Group purchased domains on which its websites are hosted. The domain as an indefinite useful life. Impairment testing on the domains is performed annually.

Impairment – Mineral right Domain Name:

The domain has an indefinite useful life. The asset is tested for impairment annually and was not considered impaired as the recoverable amount (based on value in use) is higher than the carrying amount.

Côte d'Ivoire Hydroelectric project

Côte d'Ivoire Hydro is a hydroelectric project managed by Mega Power Renewables in Côte d'Ivoire (in the west of the African continent). The feasibility and pre-feasibility studies of the project were funded by shareholders of the managing company, Mega Power Renewables. As at 30 September 2017 no economic benefits were expected to be recovered on this asset, thus the asset was fully impaired and subsequently sold on 23 February 2018.

5. INVESTMENT IN SUBSIDIARY

The following table lists the entities which are controlled by the Group, either directly or indirectly through subsidiaries.

	COMPANY			
Figures in Rand Thousands	**2019**	2018	**2019**	2018
	% Holding	**% Holding**	**Carrying Amount**	**Carrying Amount**
Tetra4 (Pty) Ltd	90.00%	90.00%	594 528	594 414
Share-Based payments			320	114
			594 848	**594 528**

Renergen Limited has a 90% shareholding in Tetra4. This was the only subsidiary of the Group during the year.

Shareholders of Renergen approved a Group bonus share scheme, where employees and executive directors of the Group will participate in scheme. The shares awarded to employees and executive in the scheme are Renergen shares. The investment in subsidiaries is increased by the allocation of shares to employees within the scheme annually.

Impairment testing of subsidiary:

Tetra4's value lies in the gas reserves of the company. MHA Petroleum Consultants LLC prepared gas reserve estimates signed off on 1 March 2019. MHA Petroleum Consultants report indicates a net present value of Helium and Methane Reserves R9.8 billion representing 2P proven and probable gas reserves at 15% discount. The recoverable amount of Tetra4's gas reserves exceeds the carrying value of the investment held by Renergen in Tetra 4.

The subsidiary has not been impaired in the current year.

6. ANALYSIS PER REPORTABLE SEGMENT

The operating segments are reported in a manner consistent with the Group. Renergen Limited has two operating segments;

- **Corporate Head Office**
  Corporate head office is a segment where all investment decisions are made. Renergen Limited is the investment holding company focused on investing in prospective green projects

- **Tetra4 (Pty) Ltd**
  Tetra4 explores, develops and sells compressed natural gas to the South African market

- **Mega Power Renewables**
  Mega Power Renewables is in Côte d'Ivoire. This segment is managing the development of a hydroelectric project. Its functional currency is Euros. Mega Power Renewables was disposed of on 23 February 2018

Analysis of reportable segments as at 28 February 2019 is set out below:

Figures in Rand thousands	Corporate Head Office	Tetra4	Total	Consolidating Adjustments	Consolidated
	2019				
Revenue	16 487	2 987	19 473	(16 487)	2 987
External	-	2 987	2 987	-	2 987
Inter-segmental	16 487	-	16 487	(16 487)	-
Depreciation* and amortization	(714)	(2 436)	(3 150)	-	(3 150)
Interest income	1 484	120	1 604	-	1 604
Imputed interest	-	(3 953)	(3 953)	-	(3 953)
Interest expense	(185)	-	(185)	-	(185)
Taxation	306	3 266	3 572	-	3 572
Loss after tax	(3 817)	(41 159)	(44 976)	-	(44 976)
Total assets	**885 172**	**124 740**	**1 009 912**	**(784 802)**	**225 110**
Total liabilities	**8 330**	**237 432**	**245 762**	**(184 885)**	**60 877**

Revenues from transactions with the Group's major customer amount to more than 10% of the Group's revenue for the current and prior period.

Revenue from this major customer amounted to R3 million (28 February 2018: R2,9 million) which is reported under the Tetra4 operating segment.

*Depreciation on plant and equipment of R1.9million is included cost of sales.

Analysis of reportable segments as at 28 February 2018 is set out below:

Figures in Rand thousands	Corporate Head Office	Tetra4	Mega Power Renew-ables	Total	Consoli-dating Ad-justments	Consoli-dated
	2018					
Revenue	8 600	2 885	-	11 485	(8 600)	2 885
External	-	2 885	-	2 885	-	2 885
Inter-segment	8 600	-	-	8 600	(8 600)	-
Loss after tax	(11 392)	(29 209)	-	(40 601)	-	(40 601)
Total Assets	**744 363**	**104 993**	**266**	**849 622**	**(735 370)**	**114 252**
Total liabilities	**4 249**	**176 525**	**-**	**180 774**	**(135 185)**	**45 589**

7. LOANS TO GROUP COMPANIES

SUBSIDIARIES				
Tetra4	**-**	**-**	**184 453**	**135 071**

Renergen invests in the development of renewable energy projects. Loans to subsidiaries are subordinated.

The intercompany loan between Renergen and Tetra 4 bears interest at 0% and is payable upon request of repayment by Renergen.

The Group determines the expected credit loss on loans to Group companies and other loans based on different scenarios of probability of default and expected loss applicable to each material underlying balances. An assessment was made for excepted credit losses at period end and the impact on loans to Group companies is not material.

8. DEFERRED TAX

	GROUP		COMPANY	
Figures in Rand thousands	**2019**	2018	**2019**	2018
DEFERRED TAX LIABILITY				
Property plant and equipment	(4 433)	(4 679)	1 753	-
Intangible	(1 740)	-	-	-
Total deferred tax assets	**(6 173)**	**(4 679)**	**1 753**	**-**
DEFERRED TAX ASSET				
Unused tax losses	**18 416**	**13 350**	**-**	**1 447**
Deferred tax liability	(6 173)	(4 679)	1 753	-
Deferred tax asset	18 416	13 350	-	1 447
Net deferred tax asset	**12 243**	**8 671**	**1 753**	**1 447**

As at 28 February 2019, the Group's estimated tax losses were R217 million (28 February 2018: R205 million), these tax losses do not expire unless the tax entity concerned ceases to operate for a period longer than a year. These are available to be offset against future taxable profits. Net deferred taxation asset of R12.2 million has been recognized due to the predictability of future profit streams. Estimated revenue growth rate of 30% in February 2020 from LNG and CNG sales, and 3% from Feb 2022 from the sale of Helium and LNG, growth rates costs were estimated at CPI of at 5.81%, South African Tax rate of 28% was utilized in calculating the deferred tax assets raised on probable future taxable profits.

The company considered Tetra4's operating cashflows over the next ten years (2020 to 2030). At present Tetra4 is in the enviable position that the current flow rates from the pilot site would enable an increase production several times from current levels without any intervention. Tetra4 has several customers in a competitive situation looking to off-take agreements in the run-up to Liquified Natural Gas (LNG) becoming available in the February 2021 financial year. It is likely that Tetra4 will generate sufficient revenue to generate a small monthly profit during the construction phase. Once the pipeline reticulating all the wells is complete, the level of production will see revenue significantly exceeding costs, and thus from February 2022, Tetra4 should be in a gross profit generating position owing to our low upstream cost of production and the high cost of energy in South Africa. Being a first mover in a premium product such as LNG also means that we can command better prices that would otherwise be available to gas suppliers.

9. RESTRICTED CASH

	GROUP		COMPANY	
Figures in Rand thousands	**2019**	2018	**2019**	2018
Environmental Rehabilitation guarantee cash	**2 178**	**1 632**	**-**	**-**

The Group has exploration rights over land in Evander (Mpumalanga) and in Virginia (Free state). The Group has had to provide for its environmental management programme associated with the exploration activities for the rehabilitation and management of negative environmental impacts associated with the exploration activities. The Group has a rehabilitation provision of R4 million, refer to note 17. The cash portion of this guarantee is invested in a call account and has been ringfenced for the use towards environmental rehabilitation. The interest earned on the call account is capitalised to this balance. Due to this restriction the use of the cash is restricted, and it is classified as a non-current asset.

10. TRADE AND OTHER RECEIVABLES

	GROUP		COMPANY	
Figures in Rand thousands	**2019**	2018	**2019**	2018
FINANCIAL INSTRUMENTS				
Deposits	214	214	-	-
Other receivable	240	505	-	136
NON-FINANCIAL INSTRUMENTS				
VAT	708	337	-	-
Prepayments	3 320	1 403	311	412
Total trade and other receivables	**4 482**	**2 459**	**311**	**548**

Other receivables consist of a bursary repayment receivable from a previous employee and outstanding debtors balances at year end.

Prepayments relate to prepaid costs for goods or services to be received in the next financial year.

CATEGORISATION OF TRADE AND OTHER RECEIVABLES

Trade and other receivables are categorised as follows in accordance with IFRS 9: Financial Instruments:

	GROUP		COMPANY	
Figures in Rand thousands	**2019**	2018	**2019**	2018
At amortised cost	454	719	-	136
Non-financial instruments	4 028	1 740	311	412
Total trade and other receivables	**4 482**	**2 459**	**311**	**548**

The Group applies a simplified approach to measure the loss allowance for trade receivables classified at amortised cost, using the lifetime expected loss provision. The expected credit loss on trade receivables is estimated using a provision matrix by reference to past default experience and credit rating, adjusted as appropriate for current observable data.

An assessment was made for expected credit losses at period end and the impact on trade and other receivables is not material.

11. OTHER FINANCIAL ASSETS

	GROUP		COMPANY	
Figures in Rand thousands	**2019**	2018	**2019**	2018
Loans and receivables	**-**	**-**	**5 500**	**5 500**

The loan shall be repaid over a term of ten years by means any dividends paid from the shares held by Cheryl Sjoberg (a director in Tetra4) in Tetra4. The loan bears no interest.

An assessment was made for expected credit losses at period end and the impact on loans and receivables is not material.

12. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of:

	GROUP		COMPANY	
Figures in Rand thousands	**2019**	2018	**2019**	2018
Cash on hand	5	-	-	-
Bank balances	97 951	3 037	95 646	2 651
	97 956	**3 037**	**95 646**	**2 651**

13. STATED CAPITAL

Figures in Rand thousands	GROUP 2019	GROUP 2018	COMPANY 2019	COMPANY 2018
AUTHORISED				
500 000 000 no par value shares	500 000	500 000	500 000	500 000
RECONCILIATION OF NUMBER OF SHARES ISSUED				
Opening balance	81 035	78 413	81 035	78 413
Issue of shares - ordinary shares	19 100	2 622	19 100	2 622
	100 135	**81 035**	**100 135**	**81 035**
RECONCILIATION OF ISSUED STATED CAPITAL				
Opening balance	161 065	137 585	759 464	735 984
Issue of shares – ordinary shares issued for cash	146 760	26 000	146 760	26 000
Share issue costs	(6 548)	(2 520)	(6 548)	(2 520)
	301 277	**161 065**	**899 676**	**759 464**

14. EQUITY SETTLED SHARE BASE PAYMENT

Renergen granted shares to senior management and an executive director after the approval of a Bonus Share Scheme by shareholders on 29 September 2017. Further shares were granted to senior management and general employees on 6 July 2018. All shares vest after 36 months of employment with the company, there are no other vesting conditions.

	GROUP					
	Number of shares awarded (‘000)	**Fair value per share at grant date**	**Value of Shares (R’000)**	**Number of shares awarded (‘000)**	**Fair value per share at grant date**	**Value of Shares (R’000)**
EXECUTIVES						
Opening balance						
Executive directors (granted 5 October 2017)	59	10.22	600	-	-	-
Allocation for the period						
Executive directors (granted 5 October 2017)	-	-	-	59	10.22	600
Closing shares award	**59**		**600**	**59**		**600**

	GROUP					
	Number of shares awarded ('000)	Fair value per share at grant date	Value of Shares (R'000)	Number of shares awarded ('000)	Fair value per share at grant date	Value of Shares (R'000)
SENIOR MANAGEMENT						
Opening balance						
Senior management (granted 5 October 2017)	22	10.22	224	22	10.22	224
Allocation for the period						
Senior management (granted 5 October 2017)	25	9.9	248	-	-	-
Closing shares awarded	**47**		**472**	**22**		**224**
GENERAL EMPLOYEES						
Opening balance						
Allocation for the period (granted 6 July 2018)	4	9.9	40	-	-	-
Lapsed shares	(2)	9.9	(17)			
Closing awarded	**2**		**23**	**-**	**-**	**-**
Total shares awarded to date	**108**		**1 095**	**81**		**824**

	COMPANY*					
Figures in Rand thousands	**2019**			2018		
	Number of shares awarded ('000)	Fair value per share at grant date	Value of Shares (R'000)	Number of shares awarded ('000)	Fair value per share at grant date	Value of Shares (R'000)
SENIOR MANAGEMENT						
New shares granted						
Senior Management	7	9.9	69			
Closing balance						
Total shares granted	**7**		**69**			

* The company did not grant any shares during the 28 February 2018 financial year.

Impact of share-based payment on financial statements is detailed below:

	GROUP		COMPANY	
Figures in Rand thousands	Statement of profit and loss		Statement of profit and loss	
	2019	2018	**2019**	2018
Executives	200	83	-	-
Senior Management (granted 6 July 2018)	129	31	11	-
General Employees	5	-	-	-
Current year Share base payment expense	**334**	**114**	**11**	**-**

	GROUP		COMPANY	
Figures in Rand thousands	Statement of financial position		Statement of financial position	
	2019	2018	**2019**	2018
Share base payment reserve	114	-	-	-
CURRENT YEAR MOVEMENT				
Executives	200	83	**-**	**-**
Senior Management (granted 6 July 2018)	129	31	11	-
General Employees	5	-	**-**	**-**
TOTAL OPENING BALANCE				
Share base payment reserve	**448**	**114**	**11**	**-**

15. FINANCIAL LIABILITIES

	GROUP		COMPANY	
Figures in Rand thousands	**2019**	2018	**2019**	2018
HELD AT AMORTISED COST				
Molopo Energy Limited	34 498	30 545	-	-
Convertible Notes	5 149	-	5 149	-
	39 647	**30 545**	**5 149**	**-**

Molopo Energy Limited

Tetra4 (Pty) Ltd entered into a R50 million loan agreement on 01 May 2013. This loan was part of the conditions of the sale of shares in Tetra4 (Pty) Ltd from Molopo Energy Limited to Windfall Energy (Pty) Ltd. The loan agreement is for the period from inception of the loan on 1 May 2013 until 31 December 2022. During this period, the loan is unsecured and interest free. The loan can only be repaid when Tetra4 (Pty) Ltd declares a dividend and 36% of distributable profits must be repaid before a dividend is declared. In the event that by 31 December 2022 the loan is not repaid, the loan shall bear interest at prime overdraft plus 2% and will have no repayment terms. Shareholders loans can only be repaid after the loans from Molopo Energy L Current year Share base payment expense imited have been settled.

The loan is discounted to present value for the period that it is interest free at a discount rate which is equal to the prime lending rate plus 2% which at 28 February 2019 is 12.25% (prime lending rate of 10.25% plus 2%). The imputed interest expense (refer note 26) is included in profit and loss. The fair value of the loan amount outstanding at 28 February 2019 amounts to R34.5 million.

Convertible notes instrument

Renergen issued 500 convertible notes at AUD1000 per note on 13 December 2018 with an 18-month term. The convertible notes carry a coupon rate of 15% per annum. 5% of the coupon rate is payable in cash quarterly from issue date and 10% of the coupon rate is capitalized on the outstanding principal amount. A note may be transferred by a Noteholder subject to providing 5 Business Days prior written notice to the Company.

A Noteholder may at any time elect to convert its Notes into Underlying Securities at a calculated conversion price by written notice to the Company specifying the Conversion Date.

Conversion - automatic conversion on Listing Date

If the Listing Date has occurred prior to the day of redemption and the Listing Price is greater than or equal to AUD $1.25 then each Note will automatically convert into Underlying Securities by reference to the Outstanding Amount of each Note based on the price calculated per below with the Conversion Date being the Listing Date.

Conversion price

If a conversion occurs on Noteholder's election or automatically on ASX listing, each Note (subject to any adjustments to the Outstanding Amount of each Note in accordance with the AUD: ZAR exchange rates) will convert into Underlying Securities on the basis that the price of each Underlying Security is equivalent to the lesser of:

- ZAR 7.50
- the ZAR price per Underlying Security in respect of any capital raising of the Company subsequent to 1 October 2018 (including any IPO on the ASX)

Extension of Maturity Date

If the Listing Date occurs and at that time the Listing Price is less than AUD $1.25, the Maturity Date will automatically be extended by 24 months from the Listing Date.

16. FINANCE LEASE OBLIGATION

Figures in Rand thousands	GROUP 2019	GROUP 2018	COMPANY 2019	COMPANY 2018
MINIMUM LEASE PAYMENTS DUE				
within one year	365	266	365	266
in second to fifth year inclusive	240	511	240	511
	605	**777**	**605**	**777**
less: future finance charges	(59)	(127)	(59)	(127)
Present value of minimum lease payments	**546**	**650**	**546**	**650**
Non-current liabilities	208	511	208	511
Current liabilities	338	266	338	266
	546	**777**	**546**	**777**

The Group leases certain motor vehicles under finance lease. At the end of the lease term, the Group will take ownership of the motor vehicles. The carrying value of these motor vehicles as at 28 February 2019 is R546 000 (28 February 2018 is R777 000). The average lease term is four years and the average effective borrowing rate is 10.5% (28 Feb 2018: 10.5%)

There were no breaches or defaults in contracts during the current or comparative period.

17. PROVISIONS

RECONCILIATION OF PROVISIONS

Figures in Rand thousands	GROUP 2019 Opening balance	2019 Additions	2019 Closing balance	2018 Opening balance	2018 Additions	2018 Closing balance
Environmental rehabilitation	3 100	900	4 000	3 100	-	3 100
Provision for IDC costs	-	5 829	5 829	-	-	-
Total	**3 100**	**6 729**	**9 829**	**3 100**	**-**	**3 100**

Environmental Rehabilitation Provision

The Group has one production right and five exploration rights over land in the magisterial districts of Ventersburg, Welkom and Odendaalrus in the province of the Free State. Provision for rehabilitation is provided by Lombard Insurance and amounts to R4 million allocated toward rehabilitation of land impacted on by Tetra4 activity. The current amount of R4 million rand is allocated for:

- The rehabilitation and closure of 16 existing wells
- The rehabilitation and closure of 4 new/planned wells
- The rehabilitation of 18 383 m of disturbance from pipeline placement
- Monitoring and maintenance of rehabilitation along pipelines

IDC Provision

The Group entered into a loan agreement with the IDC on 31 March 2017 for an amount equal to R218 million to fund the acquisition and/or construction of the pipeline and associated installation costs, compression stations and the power steam and plant in Virginia in the Free State province. The advance of this loan is subject to certain conditions precedent in the agreement being fulfilled. The conditions precedent to the loan are yet to be fulfilled. A provision of R5.8 million has been raised by the Group for commitment and administration fees incurred during the year on the IDC funding agreement.
These estimated costs incurred are payable on the earlier of a date specified by the IDC, drawdown date, effective date or cancellation date; the timing and amount of the outflows relating to this obligation is uncertain.

18. TRADE AND OTHER PAYABLES

	GROUP		COMPANY	
Figures in Rand thousands	**2019**	2018	**2019**	2018
FINANCIAL INSTRUMENTS				
Trade payables	8 239	9 651	1 245	2 290
Accrued bonus	423	-	71	-
Accrued expense	758	610	758	876
NON-FINANCIAL INSTRUMENTS				
Accrued leave pay	1 369	906	493	306
VAT	66	-	65	-
	10 855	**11 167**	**2 632**	**3 472**

19. REVENUE

Figures in Rand thousands	GROUP 2019	GROUP 2018	COMPANY 2019	COMPANY 2018
REVENUE FROM CONTRACTS WITH CUSTOMERS				
Sale of CNG	2 987	2 885	-	-
Management fees	-	-	16 487	8 600
	2 987	**2 885**	**16 487**	**8 600**

Revenue is derived principally from the sale of commodities, recognised once the control of the goods has transferred from the Group to the buyer. Intercompany revenue from management fees is recognized when the service is provided. Revenue is measured based on consideration specified in the contract with the customer and excludes amounts collected on behalf of third parties.

DISAGGREGATION OF REVENUE FROM CONTRACTS WITH CUSTOMERS

The Group disaggregates revenue from customers as follows:

Figures in Rand thousands	GROUP 2019	GROUP 2018	COMPANY 2019	COMPANY 2018
SALE OF GOODS				
Sale of CNG	2 987	2 885	-	-
OTHER REVENUE				
Management fees	-	-	16 487	8 600
Total revenue from contracts with customers	**2 987**	**2 885**	**16 487**	**8 600**

Revenue is derived principally from the sale of commodities, recognised once the control of the goods has transferred from the group to the buyer. Revenue is measured based on consideration specified in the contract with the customer and excludes amounts collected on behalf of third parties.

20. COST OF SALES

Figures in Rand thousands	GROUP 2019	GROUP 2018	COMPANY 2019	COMPANY 2018
Employee costs	1 057	980	-	-
Plant and Depreciation	1 985	1 985	-	-
CNG purchased	-	166	-	-
Repairs and maintenance	155	352	-	-
	3 197	**3 483**	**-**	**-**

21. OTHER OPERATING INCOME

Figures in Rand thousands	GROUP 2019	GROUP 2018	COMPANY 2019	COMPANY 2018
Other rental income	-	-	1 123	597
Other income	851	59	144	-
	851	**59**	**1 267**	**597**

Other income consists mainly of reimbursement income from Sibanye Gold for the design work performed by Tetra4 to make their locomotive to run on CNG.

22. OTHER OPERATING (LOSSES)

Figures in Rand thousands	GROUP 2019	GROUP 2018	COMPANY 2019	COMPANY 2018
FOREIGN EXCHANGE LOSSES				
Net foreign exchange loss	(69)	(5)	(69)	(5)
	(69)	**(5)**	**(69)**	**(5)**

23. IMPAIRMENT LOSS

	GROUP		COMPANY	
Figures in Rand thousands	**2019**	2018	**2019**	2018
Intangible assets	-	12 245	-	-
Property, plant and equipment	1 295	-	1 295	-
Loan receivable	-	-	-	7 512
	1 295	**12 245**	**1 295**	**7 512**

Impairment of an Intangible as asset in Mega Power Renewable

During the year ended 28 February 2018, the intangible asset in Mega Power Renewables (a subsidiary of Renergen Ltd) was impaired. Management had to take a decision on whether to continue to fund it or write off the investment. The studies to date have shown that the tariff required to deliver reasonable investment returns to Renergen are above the norm and believe Renergen would benefit more from deploying that investment to developing Tetra4's Evander gas field as well as bringing a second operation online. For this reason, management has decided not to continue funding the Ivory Coast hydroelectric projects further and will concentrate exclusively on the South African natural gas market for the time being. The recoverable amount is nil.

Impairment of computer software in Renergen Head office

During the year ended 29 February 2019, software in Renergen Limited to the value of R1.3 million was written off as a result of the software not facilitating a suitable integrated risk management solution to Renergen and its subsidiary.

24. OPERATING PROFIT (LOSS)

Operating loss for the year is stated after charging (crediting) the following, amongst others:

	GROUP	
Figures in Rand thousands	**2019**	2018
EXPENSES BY NATURE		
Consulting and advisory fees	18 573	12 177
Employee costs**	3 073	3 460
Operating lease charges	983	964
Depreciation*, amortisation and impairment	1 165	803
Other operating costs	11 743	7 129
Directors fees - Non Executives	1 470	1 339
Directors fees - Executives	8 019	6 040
	45 026	**31 912**

* Depreciation of plant and machinery amounting to R2 million (28 February 2018: R2 million), is included in cost of sales.
** Employee costs relating to manufacturing of gas sold is included in cost of sales.

25. INTEREST INCOME

	GROUP		COMPANY	
Figures in Rand thousands	**2019**	2018	**2019**	2018
INTEREST INCOME				
Investments in financial assets:				
Bank interest	1 604	632	1 484	471

26. INTEREST AND IMPUTED INTEREST

	GROUP		COMPANY	
Figures in Rand thousands	**2019**	2018	**2019**	2018
Interest expense	185	35	**185**	**35**
Imputed interest expense	3 953	3 532	-	-
	4 138	**3 567**	**185**	**35**

This relates to the unwinding of the loan from Molopo Energy Limited. The loan has been discounted to present value for the period that it is interest free at a discount rate which is equal to the prime lending rate plus 2% which at year end is 12.25% (prime lending rate of 10.25% plus 2). Refer to note 15.

27. TAXATION

Figures in Rand thousands	GROUP 2019	GROUP 2018	COMPANY 2019	COMPANY 2018
MAJOR COMPONENTS OF THE TAX INCOME				
Deferred				
Originating and reversing temporary differences	3 572	2 436	306	(916)
RECONCILIATION OF THE TAX EXPENSE				
Reconciliation between accounting loss and tax expense.				
Accounting loss	(48 548)	(43 037)	(4 178)	(10 476)
Tax at the applicable tax rate of 28% (2018: 28%)	13 593	12 051	1 170	2 933
TAX EFFECT OF ADJUSTMENTS ON TAXABLE INCOME				
Non-deductible expenses	**(1 822)**	**(4 655)**	**(482)**	**(2 229)**
Share based payment expense	(93)	(32)	(3)	-
Social labour plan costs	(63)	(38)	-	
SARS interest and penalties	(24)	-	(24)	-
Donations	(5)	-	(2)	-
Impairment loss on fixed assets	(401)	(3 429)	(401)	(2 150)
Imputed interest on loan	(1 107)	(989)	-	-
Annual leave	(129)	(167)	(52)	(79)
Non-deductible expenses of capital nature	**(1 833)**	**(6 760)**	**(1 830)**	**(5 500)**
Capital raising expenses	(1 764)	(6 318)	(1 764)	(5 457)
Leasehold improvements	(32)	(442)	(32)	(43)
Transaction costs on sale of investment	(34)	-	(34)	-
Deductible expenses	**1 128**	**21**	**108**	**21**
Oil and Gas Tenth schedule allowances	1 020	-	-	-
Operating lease expense	90	-	90	-
Finance lease expense	18	21	18	21
Non-taxable income	**-**	**392**	**1767**	**-**

	GROUP		COMPANY	
Figures in Rand thousands	**2019**	2018	**2019**	2018
Capital raising fee	-	-	1 767	-
Lombard Insurance reclassification	-	392		
Recoupment of computer software disposed	**(63)**	**-**	**(63)**	**-**
Assessed losses carried forward	(7 431)	1 387	(364)	3 859
	3 572	**2 436**	**306**	**(916)**

28. FOREIGN CURRENCY TRANSLATION RESERVE

Other comprehensive income entails translation differences that arise from the foreign investment. Mega Power Renewables is a foreign subsidiary of Renergen Limited has Euros as its functional currency and South African Rands as reporting currency. The breakdown of other comprehensive income is shown below:

	GROUP		COMPANY	
Figures in Rand thousands	**2019**	2018	**2019**	2018
Foreign currency translation opening carrying value	-	3 389	-	-
Current year movement in translation	-	1 348	-	-
Closing balance on reserves	-	4 737	-	-
Transferred through profit and loss	-	(4 737)	-	-
Closing balance on reserves	**-**	**-**	**-**	**-**

29. CASH (USED IN) GENERATED FROM OPERATIONS

	GROUP		COMPANY	
Figures in Rand thousands	**2019**	2018	**2019**	2018
Loss before taxation	(48 548)	(43 037)	(4 122)	(10 476)
ADJUSTMENTS FOR				
Depreciation	3 150	2 803	714	410
Amortisation	-	19	-	-
Interest income	(1 604)	(632)	(1 484)	(471)
Interest expense	185	35	185	35
Imputed interest expense	3 953	3 532	-	-
Impairment loss	1 295	12 245	1 295	7 512
Share based payment expense	334	114	11	-
Allocation to restricted cash	(555)	(1 632)	-	-
Provision for IDC	5 829	-	-	-
Profit on sale of business – Mega Power Renewables	-	(4 708)	-	30
Expected cash proceeds on disposal of Mega Power	-	135	-	135
CHANGES IN WORKING CAPITAL				
Trade and other receivables	(2 015)	6 473	237	2 262
Trade and other receivables on disposal of Mega Power Renewables	-	(266)	-	-
Trade and other payables	(312)	5 883	(839)	2 069
	(38 287)	**(19 036)**	**(4 003)**	**1 506**

30. CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

GROUP 2019

	Opening Balance	Other non-cash movements	Cash Flows	Closing Balance
Financial Liabilities	30 545	3 953	5 149	39 647
Finance Lease	777	-	(231)	546
Total liabilities from financing activities	**31 322**	**3 953**	**4 918**	**40 193**

GROUP 2018

	Opening Balance	Additions	Interest Expense	Finance lease capital repayment	Non-cash movements: Imputed interest expense	Closing Balance
Financial Liabilities	23 857	-	-	-	6 688	30 545
Finance Lease Liabilities	219	768	(23)	(187)	-	777
Total liabilities from financing activities	**24 076**	**768**	**(23)**	**(187)**	**6 688**	**31 322**

COMPANY 2019

	Opening Balance	Cash Flows	Closing Balance
Financial Liabilities	-	5 149	5 149
Finance Lease Liabilities	777	(231)	546
Total liabilities from financing activities	**777**	**4 918**	**5 695**

COMPANY 2018

	Opening Balance	Additions	Interest Expense	Finance lease capital re-payment	Closing Balance
Finance Lease Liabilities	219	768	(23)	(187)	777
Total liabilities from financing activities	**219**	**768**	**(23)**	**(187)**	**777**

31. SALE OF BUSINESSES

In the prior year Renergen disposed of their investment in Mega Power Renewables.

	GROUP		COMPANY	
Figures in Rand thousands	**2019**	2018	**2019**	2018
Trade and other receivables	-	266	-	-
Net asset value of Mega Power Renewables at disposal	-	266	-	-
Non-controlling interest	-	(102)	-	-
Investment in Mega Power Renewables	**-**	**164**	**-**	**165**
Reclassification of Foreign Currency Translation Reserve to income	-	(4 737)	-	-
Cash proceeds from sale	-	(135)	-	(135)
Profit/(loss) on disposal of asset	**-**	**4 708**	**-**	**(30)**

There were no disposals or businesses or investments in the current year.

32. COMMITMENTS

Contingent liabilities

On 8 May 2019, the company released a prospectus for the Initial Public Offering (IPO) on the Australian Stock Exchange The company entered into various IPO listing costs agreements with various suppliers. The range that the company plans on raising at IPO is between a minimum of AUD$5 million and an oversubscription of AUD$10 million.

Costs to be paid at prospectus date contingent upon successful listing by the company range from R14 million to R18 million.

There are no contingent liabilities in the Annual Financial Statements for 28 February 2019.

Lease commitments

The Group entered into a new finance lease agreement. Leases are for a term of five years and the interest payable is linked to the prime rate. Refer to note 16.

Operating lease commitments are detailed below.

	GROUP		COMPANY	
Figures in Rand thousands	**2019**	2018	**2019**	2018
OPERATING LEASES – AS LESSEE (EXPENSE				
Minimum lease payments due				
within one year	987	1 273	942	1 273
in second to fifth year inclusive	322	740	322	740
	1 309	**2 013**	**1 264**	**2 013**

Operating lease payments represent rentals payable by the Group for certain of its office properties. Leases are negotiated for an average term of three years and rentals escalate at an average rate of 8% per annum. No contingent rent is payable.

Capital Commitments

The group is in the process of acquiring a CNG Daughter station in Virginia in the Free State province with a value of R3.9 million. At the end of the reporting period, 90% of the value has been settled. Management expects that the station will be ready for use in July 2019.

The Board approved a capital expenditure of R512 million on the New Plant and drilling. The Group is yet to enter into contractual agreements with suppliers for this capital expenditure.

33. RELATED PARTIES

Relationships

Subsidiaries	Renergen has one subsidiary in which it holds 90%, Tetra4 (Pty) Ltd refer to Investment in subsidiary note 5
Shareholder with significant influence	CRT Investments (Pty) Ltd MATC Investment Holdings (Pty) Ltd
Companies controlled by Director's	CRT (Pty) Ltd MATC Investment Holdings (Pty) Ltd Luhuhi Investments (Pty) Ltd There were no transactions with companies controlled by directors in the current year.

Key Management Personnel: Executive and Non-executive Directors are key management personnel. Refer to the Directors report. There are no prescribed officers other than the Directors.

RELATED PARTY BALANCES

	GROUP		COMPANY	
Figures in Rand thousands	**2019**	2018	**2019**	2018
LOANS FROM PARENT COMPANY TO SUBSIDIARY				
Beginning of the year	-	-	135 071	104 880
Loans advanced	-	-	49 382	30 191
Balance at year end	**-**	**-**	**184 453**	**135 071**
LOANS FROM KEY MANAGEMENT				
Beginning of the year	-	-	-	-
Loans advanced	500	-	-	-
Interest charged	6	-		
Loan repayments	(506)	-		
Balance at year end	**-**	**-**	**-**	**-**

RELATED PARTY TRANSACTIONS

	GROUP		COMPANY	
Figures in Rand thousands	**2019**	2018	**2019**	2018
COSTS CHARGED TO SUBSIDIARY BY PARENT COMPANY				
Rental costs	-	-	907	595
Management fees	-	-	16 487	8 600
Total costs	**-**	**-**	**17 934**	**9 165**

Management fees are paid monthly by Tetra4 to Renergen for consulting services performed.

Figures in Rand thousands	GROUP 2019	GROUP 2018	COMPANY 2019	COMPANY 2018
COMPENSATION TO DIRECTORS AND OTHER KEY MANAGEMENT				
Short-term employee benefits	11 157	5 575	-	-
Share-based payment	334	114	-	-
	11 491	**5 689**	**-**	**-**

Details of director's remuneration are disclosed in note 34.

34. DIRECTORS' EMOLUMENTS

Figures in Rand thousands	EXECUTIVES 2019			2018		
	Basic Salary	**Bonus**	**Total**	**Basic Salary**	**Bonus**	**Total**
Stefano Marani	2 931	366	3 297	2 159	180	2 339
Fulu Ravele*	2 157	269	2 426	1 344	112	1 456
Nick Mitchell	2 931	366	3 297	2 072	173	2 245
	8 019	**1 001**	**9 020**	**5 575**	**465**	**6 040**

* The Group granted Fulu Ravele 58,734 bonus shares that vest after 36 months of service from grant date (05 October 2017), the shares had a fair value of R10.22 per share. R 200 000 of the share-based payment expense was recognized in operating expenses at 28 February 2019.

Figures in Rand thousands	NON-EXECUTIVES 2019			2018		
	Directors' fees	**Commit-tees fees**	**Total**	**Directors' fees**	**Commit-tees fees**	**Total**
Brett Kimber	238	112	350	216	130	346
Mbali Swana	216	99	315	173	151	324
Luigi Matteucci	216	210	426	216	194	410
Bane Maleke	216	163	379	173	86	259
	886	**584**	**1 470**	**778**	**561**	**1 339**

Francois Olivier, appointed as a non-executive director in November 2018 to represent Mazi Asset Management (one of Renergen's shareholders) does not earn directors fees.

35. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

CATEGORIES OF FINANCIAL INSTRUMENTS

Categories of financial assets

		GROUP					
		2019			2018		
	Notes	**Amortised cost**	**Total**	**Fair value**	**Amortised cost**	**Total**	**Fair value**
Trade and other receivables	10	454	454	454	719	719	719
Cash and cash equivalents	12	97 956	97 956	97 956	3 037	3 037	3 037
Restricted cash	9	2 178	2 178	2 178	1 632	1 632	1 632
		100 588	**100 588**	**100 588**	**5 388**	**5 388**	**5 388**

		COMPANY					
		2019			2018		
	Notes	**Amortised cost**	**Total**	**Fair value**	**Amortised cost**	**Total**	**Fair value**
Loans to Group companies	7	184 453	184 453	184 453	135 071	135 071	135 071
Cash and cash equivalents	12	95 646	95 646	95 646	2 651	2 651	2 651
Other financial assets		5 500	5 500	5 500	5 500	5 500	5 500
		285 599	**285 599**	**285 599**	**143 222**	**143 222**	**143 222**

Categories of financial liabilities

	Notes	GROUP 2019			
		Amortised cost	**Leases**	**Total**	**Fair value**
Trade and other payables	18	9 419	-	9 419	9 419
Financial liabilities	15	39 647	-	39 647	39 647
Finance lease obligations	16	-	546	546	546
		46 066	**546**	**49 612**	**49 612**

	Notes	GROUP 2018			
		Amortised cost	**Leases**	**Total**	**Fair value**
Trade and other payables	18	10 261	-	10 261	10 261
Financial liabilities	15	30 545	-	30 545	30 545
Finance lease obligations	16	-	777	777	777
		40 806	**777**	**41 583**	**41 583**

	Notes	COMPANY 2019			
		Amortised cost	**Leases**	**Total**	**Fair value**
Trade and other payables	18	2 074	-	2 074	2 074
Financial liabilities	15	5 149	-	5 149	5 149
Finance lease obligations	16	-	546	546	546
		7 223	**546**	**7 769**	**7 769**

	Notes	COMPANY 2018			
		Amortised cost	**Leases**	**Total**	**Fair value**
Trade and other payables	18	3 166	-	3 166	3 166
Finance lease obligations	16	-	777	777	777
		3 166	**777**	**3 943**	**3 943**

PRE TAX GAINS AND LOSSES ON FINANCIAL INSTRUMENTS

Gains and losses on financial assets

		GROUP			
		2019		2018	
	Notes	**Amortised cost**	**Total**	**Amortised cost**	**Total**
RECOGNISED IN PROFIT OR LOSS:					
Interest income	25	1 604	1 604	632	632

		COMPANY			
		2019		2018	
	Notes	**Amortised cost**	**Total**	**Amortised cost**	**Total**
RECOGNISED IN PROFIT OR LOSS:					
Interest income	25	1 484	1 484	471	471

Gains and losses on financial liabilities

		GROUP			
		2019		2018	
	Notes	**Amortised cost**	**Total**	**Amortised cost**	**Total**
RECOGNISED IN PROFIT OR LOSS:					
Interest Expense	26	(185)	(185)	(35)	(35)
Gains (losses) on foreign exchange	22	(69)	(69)	(5)	(5)
Gains (losses) on valuation adjustments	26	(3 953)	(3 953)	(3 532)	(3 532)
Net gains (losses)		**(4 207)**	**(4 207)**	**(3 572)**	**(3 572)**

		COMPANY			
		2019		2018	
	Notes	**Amortised cost**	**Total**	**Amortised cost**	**Total**
RECOGNISED IN PROFIT OR LOSS:					
Interest Expense	26	(185)	(185)	(35)	(35)

CAPITAL RISK MANAGEMENT

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern to provide returns for shareholder and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The capital structure of financial liabilities (excluding derivative financial liabilities) disclosed in notes 15, and cash and cash equivalents disclosed in note 12, and equity as disclosed in the consolidated statement of financial position and note 13.

There are no externally imposed capital requirements.

FINANCIAL RISK MANAGEMENT

Overview

The Group is exposed to a variety of financial risks: market risk (including currency risk, fair value interest rate risk and cash flow interest rate risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the company and Group's financial performance. The principles for financial management are included in the Group's treasury policy and cover specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

Credit risk

Credit risk is managed on a Group basis as well as individual company basis. Credit risk consists mainly of cash deposits, cash equivalents, trade debtors and related party loans. The Company and Group only deposit cash with major banks with high-quality credit standing and limits exposure to any one counterparty. Trade receivables comprise a prepaid expense from regular suppliers of the Company and Group. Risk control assesses the credit quality of the supplier by considering its financial position, experience and other factors. The maximum credit risk the Company and Group are exposed to is the receivable balance on the trade receivables and related party loans as disclosed in note 10 and note 33 respectively.

GROUP

Figures in Rand thousands	Notes	2019 Gross carrying amount	2019 Credit loss allowance	2019 Amortised cost/fair value	2018 Gross carrying amount	2018 Credit loss allowance	2018 Amortised cost/fair value
Trade and other receivables	10	454	-	454	719	-	719
Cash and cash equivalents	12	97 956	-	97 956	3 037	-	3 037
Total		**98 410**	**-**	**98 410**	**3 756**	**-**	**3 756**

Ageing of 28 February 2018 accounts receivable balances as per IAS39

	Current	30 days	60 days	90 days	120 days or more
Accounts receivable	288	-	-	-	-

COMPANY

Figures in Rand thousands	Notes	2019 Gross carrying amount	2019 Credit loss allowance	2019 Amortised cost/fair value	2018 Gross carrying amount	2018 Credit loss allowance	2018 Amortised cost/fair value
Trade and other receivables	7	184 453	-	184 453	135 071	-	135 071
Cash and cash equivalents	12	95 646	-	95 646	2 651	-	2 651
Total		**280 099**	**-**	**280 099**	**137 722**	**-**	**137 277**

Ageing of 28 February 2018 accounts receivable balances as per IAS39

	Current	30 days	60 days	90 days	120 days or more
Accounts receivable	-	-	-	-	-

Liquity risk

Management manages cash flow on a Group basis through an ongoing review of future commitments and credit facilities. Cash flow forecasts are prepared, and spending is monitored for compliance with internal targets.

	Notes	GROUP 2019			
		Less than 1 year	1 to 5 years	Total	Carrying amount
NON-CURRENT LIABILITIES					
Financial liability	15	-	39 647	39 647	39 647
Finance lease liabilities	16	-	208	208	208
CURRENT LIABILITIES					
Trade and other payables	18	9 419	-	9 419	9 419
Finance lease liabilities	16	338	-	338	338
		9 757	**39 721**	**49 478**	**49 478**

	Notes	GROUP 2018				
		Less than 1 year	1 to 5 years	Over 5 years	Total	Carrying amount
NON-CURRENT LIABILITIES						
Financial liability	15	-	-	30 545	30 545	30 545
Finance lease liabilities	16	-	511	-	511	511
CURRENT LIABILITIES						
Trade and other payables	18	10 261	-	-	10 261	11 130
Finance lease liabilities	16	266	-	-	266	266
		10 527	**511**	**30 545**	**41 583**	**42 452**

	Notes	COMPANY 2019				
		Less than 1 year	1 to 5 years	Over 5 years	Total	Carrying amount
NON-CURRENT LIABILITIES						
Financial liability	15	-	5 149	-	5 149	5 149
Finance lease liabilities	16	-	208	-	208	208
CURRENT LIABILITIES						
Trade and other payables	18	2 074	-	-	2 074	2 074
Finance lease liabilities	16	338	-	-	338	338
		2 412	**5 357**	**-**	**7 769**	**7 769**

	Notes	COMPANY 2018			
		Less than 1 year	1 to 5 years	Total	Carrying amount
NON-CURRENT LIABILITIES					
Finance lease liabilities	16	-	511	511	511
CURRENT LIABILITIES					
Trade and other payables	18	3 166	-	3 166	3 166
Finance lease liabilities	16	266	-	266	266
		3 432	**511**	**3 943**	**3 943**

Foreign currency risk

The Company and Group procure some operating equipment and machinery internationally and is exposed to foreign exchange risk arising primarily with respect to ZAR, EUR and USD. Foreign exchange risk arises from future commercial transactions, liabilities and net investments in foreign operations. Management is of the view that only the ZAR poses a significant foreign exchange risk given its volatility against the USD. The Company and Group review its foreign currency exposure, including commitments on an ongoing basis.

No sensitivity analysis has been prepared as material assets were sourced locally in ZAR with no foreign currency risk and there was no year end exposure.

Interest rate risk

The Company and Group's operating cash flows are independent of changes in market interest rates. The Company and Group's interest rate risk arises from long-term debt. Debt issued at variable rates exposes the Company and Group to cash flow interest rate risk. The debt with variable interest rate is not repayable until December 2022. Refer to note 15. Interest bearing debt comprise 29% of the total equity, therefore the debt is repayable after 10 years or on declaration of dividends. Interest charge on the debt is only effective in December 2022.

No sensitivity analysis has been prepared as material liabilities are interest free.

36. GOING CONCERN

The Consolidated and Separate Financial Statements have been prepared assuming the Group will continue as a going concern, which contemplates the realisation of assets and satisfaction of liabilities in the normal course of business for the foreseeable future. The Group's ability to achieve profitability is dependent on the capital spend of proceeds raised from the currently underway capital raise. The Directors have reviewed the Group's forecasts for the next twelve months and are satisfied with the Group's ability to continue as a going concern.

The Group has received a funding commitment of $40million from Overseas Private Investment Corporation to spend towards the New Plant Project and has successfully completed a rights issue raising R125 million, as well as a secondary listing on the Australian Stock Exchange wherein The Group raised an additional A$10 million. The construction of the New Plant commences in the financial year 2020. Sale of Liquified Natural Gas (LNG) and Helium (He) is expected to commence in financial year 2021. The Group has entered into off take agreements for the sale of both LNG and He.

37. EVENTS AFTER THE REPORTING PERIOD

Renergen released a SENS announcement on its latest independent reserve review on 24 April 2019, compiled by MHA Petroleum Consultants LLC ("MHA") from the United States of America in respect of the New Plant Project held by Tetra4 indicating an increase in proven methane and helium reserves of 12.2% and 16.1% respectively since March 2018. Economic valuation was up 16.4% to R9.8 billion using a discount of 15% for proven and probable reserves (2P). Ongoing work relating to shallow conventional "White Sandstone" discovered helium concentration are up 11%.

On 9 May 2019, the company released a SENS announcement, wherein it disclosed that it released the prospectus for the Initial Public Offering (The Offer) on the Australian Stock Exchange on 8 May 2019. The Offer opened on 9 May 2019 to the Australian public and was available only to Australian and New Zealand residents accessing the website within Australia or New Zealand.

On 29 May 2019, Renergen announced the completion of The Offer which raised A$10million with oversubscriptions through the issue of 12.5million CHESS Depository Interests at a subscription price of A$0.80. Renergen also announced the appointment of a new independent non-executive director, Dr David King, effective 4 June 2019.

The directors are not aware of any material events that occurred after the reporting period and up to the date of this report.

38. LOSS PER SHARE

	GROUP	
Figures in Rand thousands	**2019**	2018
BASIC LOSS		
Loss from continuing operations attributable to equity owners of the parent	(40 860)	(37 680)
Weighted average number of shares	86 889	80 002
Basic loss per share (cents)	**(47.03)**	**(47.10)**
RECONCILIATION OF DILUTED LOSS		
Basic loss	(40 860)	(37 680)
Weighted average number of shares	86 889	80 002
Diluted Loss per share	**(47.03)**	**(47.05)**
RECONCILIATION OF BASIC LOSS TO HEADLINE LOSS		
Basic loss attributable to equity owners of parent	(40 860)	(37 680)
Profit on disposal of business – Mega Power Renewables	-	(4 708)
Impairment loss	1 295	12 245
Tax effects of disposal and impairment	(363)	-
Headline loss	(39 928)	(30 143)
Headline loss per share (cents)	**(47.03)**	**(37.68)**
RECONCILIATION OF BASIC HEADLINE LOSS TO DILUTED HEADLINE LOSS		
Headline loss	(39 928)	(30 143)
Adjustments	-	-
Diluted headline loss	(39 928)	(30 143)
Diluted weighted average number of shares	86 997	80 083
	(47.03)	**(37.64)**
Number of shares in issue ('000)	**100 135**	**81 035**

The basic loss per share is limited to the diluted loss per share as the convertible shares are antidilutive. This limitation was not applied in the prior period, the impact was assessed to not be material and therefore prior period figures have not been adjusted.

06

SHAREHOLDER INFORMATION

ANALYSIS OF SHAREHOLDERS

	NO. OF SHAREHOLDINGS	%	NO. OF SHARES	%
SHAREHOLDER SPREAD				
1 - 1 000 shares	238	45.25	51 824	0.05
1 001 - 10 000 shares	136	25.86	553 872	0.55
10 001 - 100 000 shares	73	13.88	2 944 789	2.94
100 001 - 1 000 000 shares	69	13.12	22 446 617	22.42
1 000 001 shares and over	10	1.90	74 138 650	74.04
Totals	**526**	**100.00**	**100 135 752**	**100.00**
DISTRIBUTION OF SHAREHOLDERS				
Banks/Brokers	5	0.95	1 477 134	1.48
Close Corporations	5	0.95	38 380	0.04
Endowment Funds	4	0.76	210 013	0.21
Individuals	392	74.52	6 335 941	6.33
Insurance Companies	11	2.09	2 655 226	2.65
Investment Company	2	0.38	101 460	0.10
Medical Schemes	3	0.57	412 796	0.41
Mutual Funds	22	4.18	8 280 582	8.27
Other Corporations	5	0.95	22 989	0.02
Private Companies	19	3.61	52 501 051	52.43
Retirement Funds	44	8.37	27 794 463	27.76
Trusts	14	2.66	305 717	0.31
Totals	**526**	**100.00**	**100 135 752**	**100.00**
PUBLIC/NON - PUBLIC SHAREHOLDERS				
Non-Public Shareholders	**6**	**1.14**	**52 313 901**	**52.24**
Directors and Associates	3	0.57	17 559 745	17.54
Strategic Holder more than 10%	3	0.57	34 754 156	34.71
Public Shareholders	**520**	**98.86**	**47 821 851**	**47.76**
Totals	**526**	**100.00**	**100 135 752**	**100.00**
BENEFICIAL SHAREHOLDERS HOLDING 3% OR MORE				
Tamryn Investment Holding (Pty) Ltd			34 754 156	34.71
Government Employees Pension Fund			13 905 532	13.89
MATC Investments (Pty) Ltd			8 703 806	8.69
CRT Investments (Pty) Ltd			8 597 139	8.59
Eskom Pension & Provident Fund			3 064 693	3.06
Totals			**69 025 326**	**68.93**
INSTITUTIONAL SHAREHOLDERS HOLDING 3% OR MORE				
Mazi Asset Management			26 156 721	26.12
Mergence Investment Managers			8 837 168	8.83
Totals			**34 993 889**	**34.95**

BREAKDOWN OF NON-PUBLIC HOLDINGS

	NO. OF SHARES	%
DIRECTORS		
Stefano Marani	**8 962 606**	**8.95**
MATC Investments (Pty) Ltd	8 703 806	8.69
Stefano Marani	258 800	0.26
Nick Mitchell	**8 597 139**	**8.59**
CRT Investments (Pty) Ltd	8 597 139	8.59
Totals	**17 559 745**	**17.54**
STRATEGIC HOLDER MORE THAN 10%		
Tamryn Investment Holding (Pty) Ltd	33 644 128	33.60
Tamryn Investment Holding (Pty) Ltd	700 805	0.70
Tamryn Investment Holding (Pty) Ltd	409 223	0.41
Totals	**34 754 156**	**34.71**

BREAKDOWN OF BENEFICIAL SHAREHOLDERS HOLDING 3% OR MORE

	NO. OF SHARES	%
BENEFICIAL SHAREHOLDERS		
Tamryn Investment Holding (Pty) Ltd	**34 754 156**	**34.71**
Tamryn Investment Holding (Pty) Ltd	33 644 128	33.60
Tamryn Investment Holding (Pty) Ltd	700 805	0.70
Tamryn Investment Holding (Pty) Ltd	409 223	0.41
Government Employees Pension Fund	**13 905 532**	**13.89**
Government Employees Pension Fund - Mazi	9 707 312	9.69
Government Employees Pension Fund - Mergence	4 198 220	4.19
MATC Investments (Pty) Ltd	**8 703 806**	**8.69**
MATC Investments (Pty) Ltd	8 703 806	8.69
CRT Investments (Pty) Ltd	**8 597 139**	**8.59**
CRT Investments (Pty) Ltd	8 597 139	8.59
Eskom Pension & Provident Fund	**3 064 693**	**3.06**
Eskom Pension & Provident Fund	3 064 693	3.06
Totals	**65 960 633**	**65.87**

SHAREHOLDER ANALYSIS - TOP 25 BENEFICIAL HOLDERS

RANK	BENEFICIAL SHAREHOLDERS	NO. OF SHARES	%
1	Tamryn Investment Holding (Pty) Ltd	34 754 156	34.71
2	Government Employees Pension Fund	13 905 532	13.89
3	MATC Investments (Pty) Ltd	8 703 806	8.69
4	CRT Investments (Pty) Ltd	8 597 139	8.59
5	Eskom Pension & Provident Fund	3 064 693	3.06
6	Sanlam	2 364 283	2.36
7	Alexander Forbes Investments	2 241 230	2.24
8	Otto, LM	1 602 887	1.60
9	Metal & Engineering Industries	1 578 101	1.58
10	Unemployment Insurance Fund	1 470 937	1.47
11	RMB Securities	1 407 064	1.41
12	Transnet Pension Fund	1 063 443	1.06
13	Ryan, TM	994 813	0.99
14	SALA Retirement Funds	868 997	0.87
15	Namibian Government Institutions Pension Fund	832 600	0.83
16	Mazi Asset Management	820 858	0.82
17	Mineworkers Provident Fund	819 363	0.82
18	Old Mutual	604 002	0.60
19	SAMWU National Provident Fund	587 123	0.59
20	Absa Retirement Funds	548 960	0.55
21	Transport Sector Retirement Fund	510 053	0.51
22	Sygnia	489 009	0.49
23	KZN Municipal Pension Fund	487 111	0.49
24	Otto, J	455 142	0.45
25	National Fund for Municipal Workers	387 279	0.39
	Totals	**89 158 581**	**89.04**

RANK	INSTITUTIONAL SHAREHOLDERS	NO. OF SHARES	%
1	Mazi Asset Management	26 156 721	26.12
2	Mergence Investment Managers	8 837 168	8.83
3	Sanlam Investment Management	2 211 447	2.21
4	RMB Securities	1 407 064	1.41
5	Kagiso Asset Management	604 002	0.60
6	Element Investment Managers	322 082	0.32
7	Regarding Capital Management	488 861	0.49
8	Trillian Asset Management	217 923	0.22
9	Novare Investments	301 323	0.30
10	Cadiz Asset Management	123 277	0.12
11	Flagship Asset Management	99 506	0.10
12	Clearstream Banking SA Luxembourg	67 863	0.07
13	Glacier	6 358	0.01
14	Investec Asset Management	5 990	0.01
15	Momentum Wealth	2 579	0.00
16	Bank of New York (Custodian)	1 200	0.00
17	Citibank (Custodian)	1 000	0.00
	Totals	**24 324 793**	**40.80**

NOTES TO ANNUAL GENERAL MEETING

RENERGEN LIMITED

Incorporated in the Republic of South Africa
(Registration number: 2014/195093/06)
(Share code: REN ISIN: ZAE000202610)
(Renergen or the Company)

NOTICE OF ANNUAL GENERAL MEETING FOR THE YEAR ENDED 28 FEBRUARY 2019

In terms of section 59(1) of the Companies Act No.71 of 2008 ("the Companies Act"), as amended, notice is hereby given that the Annual General Meeting ("AGM") of the shareholders of Renergen will be held at 10:00 on Friday, 27 September 2019, at 1st Floor, No.1 Bompas Road, Dunkeld West, Johannesburg, for the purpose of considering and, if deemed fit, passing, with or without modification, the resolutions set out hereafter.

RECORD DATES

In terms of section 62(3)(a), read together with section 59 of the Companies Act, the following dates apply to the AGM:

	2019
Record date for determining those shareholders entitled to receive this notice	Friday, 21 June
Last day to trade in order to be eligible to participate in and vote at the AGM	Tuesday, 17 September
Record date (for voting purposes at the AGM)	Friday, 20 September

ACTION BY SHAREHOLDERS

Shareholders entitled to attend and vote at the AGM may appoint one or more proxies to attend, speak and vote thereat in their stead. A proxy need not be a shareholder of Renergen. A form of proxy which provides instructions for its completion is hereby inserted. Completion of a form of proxy will not preclude such shareholder from attending and voting (in preference to that shareholder's proxy) at the AGM.

Proxy forms must be completed by certificated shareholders or "own name" registered dematerialised shareholders who wish to be represented at the AGM.

Dematerialised shareholders (not with "own name" registration) must notify their Central Securities Depository Participant (CSDP) or broker of their intention to attend the AGM in order for such CSDP or broker to be able to issue them with the necessary letter of representation to enable them to attend the AGM, or, alternatively, should the dematerialised shareholder not wish to attend the AGM, they should provide their CSDP or broker with their voting instructions.

Forms of proxy must reach the Company's transfer secretaries, Computershare Investor Services Proprietary Limited, at Rosebank Towers, 15 Biermann Avenue, Rosebank 2196, to be received by them by no later than 10:00 on Wednesday, 25 September 2019 (or 48 (forty-eight) hours before any adjournments of the AGM which date, if necessary, will be notified on SENS). Thereafter, forms of proxy may be delivered to the chairperson of the AGM, at the AGM, before voting on a particular resolution commences.

AGM participants may be required to provide identification to the reasonable satisfaction of the chairperson of the AGM. An official identification document issued by the South African Department of Home Affairs, a driving license or a valid passport will be accepted as sufficient identification.

Shareholders who have any doubt as to what action they are required to take in respect of the following resolutions, should consult their CSDP, broker, banker, attorney, accountant or other professional adviser immediately.

On a poll, ordinary shareholders will have one vote in respect of each share held.

ELECTRONIC PARTICIPATION

Shareholders or their proxies may participate in the AGM by way of telephone conference call ("teleconference facility").

Note that the teleconference facility will only allow shareholders to listen in and raise questions during the allocated time. Shareholders will not be able to vote using the teleconference facility. Should such shareholders wish to vote, they must either:

- complete the proxy form a on page 171 and return it to the transfer secretary as per the details on page 178
- contact their broker

Shareholders or their proxies who wish to participate in the AGM via the teleconference facility must notify the Company by emailing the company secretary, Acorim Proprietary Limited at renergen@acorim.co.za by no later than 11:00, 25 September 2019. The company secretary will first validate such requests and confirm the identity of the shareholder in terms of section 63(1) of the Companies Act and thereafter, if validated, provide further details on using the teleconference facility. Only a total of 20 telecommunication lines will be available for such participation, which will be allocated on a first-come-first-served basis.

The cost of the participant's phone call will be for his/her own expense and will be billed separately by his/her own telephone service provider.

The company cannot guarantee there will not be a break in communication which is beyond the control of the company.

The participant acknowledges that the telecommunication lines are provided by a third party and indemnifies the company against any loss, injury, damage, penalty or claim arising in any way from the use or possession of the telecommunication lines, whether or not the problem is caused by any act or omission on the part of the participant or anyone else. In particular, but not exclusively, the participant acknowledges that he/she will have no claim against the company, whether for consequential damages or otherwise, arising from the use of the telecommunication lines or any defect in it or from total or partial failure of the telecommunication lines and connections linking the telecommunication lines to the AGM.

NOTES TO ANNUAL GENERAL MEETING

AGENDA

PRESENTATION OF ANNUAL FINANCIAL STATEMENTS

The Company's summarised consolidated financial statements (as approved by the Board of Directors ("the Board")) for the year ended 28 February 2019 have been distributed and accompany this notice of AGM (refer to page 160) as required and will be presented to shareholders at the AGM together with the reports of the Directors and the Audit, Risk and IT Committee.

The Letter to shareholders accompanying this notice of AGM contains details of where copies of the Integrated Annual Report and Annual Financial Statements are available.

REPORT FROM GOVERNANCE, ETHICS, SOCIAL, TRANSFORMATION AND COMPENSATION COMMITTEE

In accordance with Regulation 43(5)(c) of the Companies Act, the chairperson of the Governance, Ethics, Social, Transformation and Compensation Committee or, in his absence, any member of the Committee, will present the Committee's report to shareholders at the AGM.

ORDINARY RESOLUTIONS

To consider and, if deemed fit, to pass, with or without modification, all of the ordinary resolutions relating to the business set out below. Unless otherwise indicated, in order for each ordinary resolution to be adopted the support of more than 50% of the voting rights exercised on the resolutions by shareholders, present or represented by proxy at the AGM and entitled to exercise voting rights on the resolution, is required.

ORDINARY RESOLUTION NUMBER 1: RE-ELECTION OF DIRECTOR

B Kimber will retire at the AGM in accordance with Renergen's memorandum of incorporation (MOI) and, being eligible, offers himself for re-election.

"Resolved that the re-election of B Kimber, as an independent non-executive director who, in terms of Article 5.1 of the Company's MOI retires by rotation at this AGM, but being eligible to do so, offers himself for re-election, is hereby confirmed with effect from 27 September 2019."

Rationale: Renergen's MOI and, to the extent applicable, the Companies Act require that one third of Renergen's non-executive directors rotate at the AGM and can be eligible for re-election.

B Kimber's abbreviated curriculum vitae appears on page 40 of the Integrated Annual Report to which this notice is attached.

ORDINARY RESOLUTION NUMBER 2: CONFIRMATION OF DIRECTOR

It is hereby brought to the attention of the shareholders that F Olivier was appointed as a non-executive director on 16 November 2018.

"Resolved, as an ordinary resolution, that the appointment of F Olivier as a non-executive director with effect from 16 November 2018 be and is hereby confirmed."

F Olivier's abbreviated *curriculum vitae* appears on page 41 of the Integrated Annual Report to which this notice is attached.

ORDINARY RESOLUTION NUMBER 3: CONFIRMATION OF DIRECTOR

It is hereby brought to the attention of the shareholders that D King was appointed as an independent non-executive director on 4 June 2019.

"Resolved, as an ordinary resolution, that the appointment of D King as an independent non-executive director with effect from 4 June 2019 be and is hereby confirmed."

D King's abbreviated *curriculum vitae* appears on page 40 of the Integrated Annual Report to which this notice is attached.

ORDINARY RESOLUTION NUMBER 4: ELECTION OF CHAIRPERSON AND MEMBERS OF THE AUDIT, RISK AND IT COMMITTEE

To consider and, if deemed fit, elect the following Independent Non-Executive Directors as members of Renergen's Audit, Risk and IT Committee, with effect from the end of this AGM. Shareholders elect, by way of a separate vote, each of the following:

Ordinary resolution number 4.1

"Resolved that L Matteucci be and is hereby elected as a member and chairperson of Renergen's Audit, Risk and IT Committee."

Ordinary resolution number 4.2

"Resolved that M Swana be and is hereby elected as a member of Renergen's Audit, Risk and IT Committee."

Ordinary resolution number 4.3

"Resolved that B Maleke be and is hereby elected as a member of Renergen's Audit, Risk and IT Committee."

Rationale: In terms of the Companies Act Renergen, as a public company, must appoint an audit committee and the members of such audit committee must be appointed or reappointed, as the case may be, at each AGM of Renergen.

An abbreviated *curriculum vitae* in respect of each member of the Audit, Risk and IT Committee appears on page 80 of the Integrated Annual Report to which this notice is attached.

ORDINARY RESOLUTION NUMBER 5: APPOINTMENT OF EXTERNAL AUDITOR

It is hereby brought to the attention of the shareholders that subsequent to the publishing of the annual financial statements for the year ending 28 February 2019, the Audit, Risk and and IT Committee recommended the appointment of Mazars as Renergen's independent registered auditor for the financial year ending 29 February 2020.

"Resolved that Mazars be appointed, on the recommendation of the current Audit, Risk and IT Committee, as Renergen's independent registered auditor, Mazars will undertake the audit during the financial year ending 29 February 2020, and to authorise the directors to determine the auditor's remuneration."

Rationale: in terms of the Companies Act Renergen, as a public company, must have its financial results audited and such an auditor must be appointed or reappointed each year at Renergen's AGM.

ORDINARY RESOLUTION NUMBER 6: GENERAL AUTHORITY TO ISSUE SHARES FOR CASH

"Resolved that, subject to the Companies Act and the Johannesburg Stock Exchange Limited Listings Requirements ("JSE Listings Requirements"), the Board be and is hereby given a general authority to allot and issue the unissued ordinary shares in the capital of Renergen (or options to subscribe for, or securities that are convertible into such ordinary shares) as an issue for cash as and when suitable situations arise, and on such terms and conditions as they deem fit, subject to the following:

- The authority shall be valid until the date of the next Renergen AGM, provided that it shall not extend beyond 15 months from the date of this AGM
- Issues in terms of this authority will not, in any financial year, in aggregate, exceed 50% of the number of ordinary shares in Renergen' issued share capital as at the date of this notice of AGM (50% amounts to 56 317 876 shares) and in the event of a sub-division or consolidation of issued equity securities, this authority must be adjusted accordingly to represent the same allocation ratio
- The shares, which are the subject of the issue for cash, must be of a class already in issue or, where this is not the case, must be limited to such equity securities or rights that are convertible into a class already in issue
- The shares must be issued only to public shareholders (as defined in the JSE Listings Requirements) and not to related parties
- The maximum discount at which such shares may be issued is 10% of the weighted average traded price of Renergen shares over the 30 business days prior to the date that the price of the issue is agreed between Renergen and the party subscribing for the securities
- Upon any issue of shares for cash which, on a cumulative basis within the validity period of this general authority, constitute 5% or more of the number of shares of the class in issue as at the date of this AGM, Renergen shall by way of an announcement on Stock Exchange News Service (SENS), give full details thereof in compliance with the JSE Listings Requirements."

This resolution and the restrictions contained herein do not apply to any pro rata rights offered to shareholders.

In terms of the JSE Listings Requirements, this resolution requires more than 75% of the voting rights in favour thereof to be adopted.

Rationale: subject to Renergen's MOI, the requirements of the Companies Act and the JSE Listings Requirements, the Board requires authority from shareholders to issue ordinary shares for cash in Renergen. Once granted, the general authority allows the Board, from time to time and when appropriate, to issue ordinary shares as may be required, inter alia, in terms of capital-raising exercises, and to maintain a healthy capital adequacy ratio.

ORDINARY RESOLUTION NUMBER 7: ADVISORY ENDORSEMENT OF REMUNERATION POLICY AND IMPLEMENTATION REPORT

Ordinary resolution number 7.1

"Resolved that Renergen's Remuneration Policy, as set out on page 68 of the Integrated Annual Report, be and is hereby endorsed, by way of a non-binding advisory vote for the period 28 February 2019 to 29 February 2020, on the same basis as set out in the audited Annual Financial Statements, escalated as being reasonable by Renergen's Governance, Ethics, Social, Transformation and Compensation Committee."

Ordinary resolution number 7.2

"Resolved that the Remuneration Implementation Report, as set out on page 72 of the Integrated Annual Report, be and is hereby endorsed by way of a non-binding advisory vote."

Note: Failure to pass these resolutions will not have legal consequences relating to existing arrangements. However, the Board will take the outcome of the vote into consideration when assessing Renergen's remuneration policy.

Rationale: King IV requires companies to table their remuneration policy and implementation report each year to shareholders for separate non-binding advisory votes at the AGM.

ORDINARY RESOLUTION NUMBER 8: SIGNATURE OF DOCUMENTS

"Resolved that each director of Renergen be and is hereby individually authorised to sign all such documents and do all such things as may be necessary for, or incidental to, the implementation of the resolutions set out in this notice of AGM, at which this ordinary resolution is to be considered and approved."

SPECIAL RESOLUTIONS

To consider and, if deemed fit, to pass, with or without modification, all of the special resolutions relating to the business set out below. More than 75% of the voting rights exercised on each individual resolution must be exercised in favour of these resolutions.

SPECIAL RESOLUTION NUMBER 1: NON-EXECUTIVE DIRECTORS' REMUNERATION

"Resolved that, in terms of the provisions of sections 66(9) of the Companies Act, the annual remuneration payable to the non-executive directors of the Company for their services as directors of the Company for the financial year ending 29 February 2020, be and is hereby approved as follows:

TYPE OF FEE	FEE FOR THE YEAR ENDED 28 FEBRUARY 2019	FEE FOR THE YEAR ENDED 29 FEBRUARY 2020
	R	R
ANNUAL RETAINER		
Board		
Chairperson	R172 800	R564 806
Member	R86 400	R213 413
Audit, Risk and IT Committee		
Chairperson	R86 400	R108 458
Member	R43 200	R61 413
GESTC Committee		
Chairperson	R86 400	R108 458
Member	R43 200	R61 413
PER MEETING FEES		
Board		
Chairperson	R21 600	R35 300
Member	R21 600	R13 338
Audit, Risk and IT Committee		
Chairperson	R21 600	R18 076
Member	R21 600	R10 236
GESTC Committee		
Chairperson	R21 600	R18 076
Member	R21 600	R10 236
AD HOC TELECONFERENCE FEES		
Board		
Chairperson	R4 000	R4 000
Member	R4 000	R4 000
Committees		
Chairperson	R4 000	R4 000
Member	R4 000	R4 000

Rationale: The Companies Act requires that directors' fees be authorised by shareholders by way of a special resolution. The passing of this special resolution will have the effect of approving the remuneration of each of the directors of Renergen for the year ending 29 February 2020, in accordance with section 66(9) of the Companies Act.

SPECIAL RESOLUTION NUMBER 2: GENERAL AUTHORITY TO REPURCHASE SECURITIES

"Resolved that an acquisition by Renergen and/or any subsidiary of Renergen is hereby authorised, by way of a general authority, from time to time, to repurchase any of the shares issued by Renergen, upon such terms and conditions and in such amounts as the Board may from time to time determine, but subject to the provisions of sections 46 and 48 of the Companies Act, the MOI of Renergen and/or the subsidiary company and the JSE Listings Requirements, which may be amended from time to time, and provided that acquisitions by Renergen of its own shares may not, in the aggregate, exceed in any one financial year 20% of its issued share capital of that class of shares acquired from the date of the grant of this general approval, and in respect of any subsidiary, such acquisition of Renergen shares may not exceed 10%, provided that:

- The repurchase of securities will be effected through the order book operated by the JSE trading system and done without any prior understanding or arrangement between Renergen and the counterparty (reported trades are prohibited)
- This general authority shall be valid only until the next AGM or for 15 months from the date of this resolution, whichever period is shorter
- Repurchases may not be made at a price greater than 10% above the weighted average of the market value for the securities for the 5 business days immediately preceding the date on which the transaction is effected
- At any point in time, Renergen may only appoint one agent to effect any repurchase on its behalf
- Neither Renergen nor its subsidiaries may repurchase securities during a prohibited period, as defined in the JSE Listings Requirements, unless a repurchase programme is in place in terms of which the dates and quantities of securities to be traded during the relevant period are fixed (not subject to any variation) and full details of which programme have been submitted to the JSE in writing prior to the commencement of the prohibited period. Renergen will instruct an independent third party, which makes its investment decisions in relation to Renergen's securities independently of, and uninfluenced by, Renergen, prior to the commencement of the prohibited period to execute the repurchase programme submitted to the JSE
- The Board authorises the repurchase and has resolved that Renergen has satisfied the solvency and liquidity test as defined in the Companies Act, and that there have been no material changes to the financial position of Renergen
- An announcement will be published on SENS as soon as Renergen, or any of its subsidiary companies, have acquired securities constituting, on a cumulative basis, 3% of the number of securities in issue and for each 3% in aggregate of the initial number acquired thereafter

Although there is no immediate intention to effect a repurchase of Renergen securities, the Board would utilise this general authority to repurchase securities as and when suitable opportunities present themselves, which opportunities may require expeditious and immediate action.

The Board undertakes that, after considering the maximum effect of securities which may be repurchased and the price at which the repurchases may take place pursuant to this general authority, for a period until the next AGM or 15 months (whichever is shorter), after the date of notice of this AGM:

- Renergen will be able to repay its debts in the ordinary course of business
- The consolidated assets of Renergen, fairly valued in accordance with International Financial Reporting Standards (IFRS) and on a basis consistent with Renergen's previous financial year, will exceed Renergen's consolidated liabilities
- Renergen's working capital, stated capital and reserves will be adequate for its ordinary business purpose
- A resolution by the Board will be passed confirming that it has authorised the repurchase, that Renergen has passed the solvency and liquidity test and, since the test was performed, there have been no material changes to Renergen' financial position

The following additional information is provided in terms of the JSE Listings Requirements for purposes of this general authority:

- Major shareholders of Renergen – page 159 of the Integrated Annual Report
- Litigation statement of Renergen - page 75 of the Integrated Annual Report
- Share capital of Renergen – page 129 of the Integrated Annual Report

Material changes

There have been no material changes in the affairs or financial position of Renergen since its financial year-end and the date of this notice.

Directors' responsibility statement

The Directors, whose names are given on pages 38 and 41 of the Integrated Annual Report to which this notice is attached, collectively and individually accept full responsibility for the accuracy of the information pertaining to special resolution number 2 and certify that, to the best of their knowledge and belief:

- There are no facts in relation to this special resolution number 2 that have been omitted which would make any statement in relation hereto false or misleading
- That all reasonable enquiries to ascertain such facts have been made
- That this special resolution number 2, together with the notice of AGM, contains all information required by law and the JSE Listings Requirements in relation hereto

Rationale: the reason and effect of this special resolution number 2 is to grant Renergen's Board a general authority in terms of its MOI and the JSE Listings Requirements for the acquisition by Renergen of shares issued by it on the basis reflected in the special resolution.

SPECIAL RESOLUTION NUMBER 3: FINANCIAL ASSISTANCE FOR SUBSCRIPTION OF SECURITIES

"Resolved that, in terms of section 44 of the Companies Act, the shareholders of Renergen hereby approve of Renergen providing, at any time and from time to time during the period of 2 years commencing on the date of this special resolution number 3, financial assistance by way of a loan, guarantee, the provision of security or otherwise, as contemplated in section 44 of the Companies Act, to any person for the purpose of, or in connection with, the subscription for any option, or any securities, issued or to be issued by Renergen, or a related or inter-related company, or for the purchase of any securities of Renergen, or a related or inter-related company, provided that:

- The Board, from time to time, determines (i) the specific recipient, or general category of potential recipients of such financial assistance; (ii) the form, nature and extent of such financial assistance; (iii) the terms and conditions under which such financial assistance is provided
- The Board may not authorise Renergen to provide any financial assistance pursuant to this special resolution number 3 unless the Board meets all of those requirements of section 44 of the Companies Act which it is required to meet in order to authorise Renergen to provide such financial assistance

Rationale: the purpose of this special resolution number 3 is to grant the Board the authority to authorise Renergen to provide financial assistance to any person for the purpose of, or in connection with, the subscription for any option or securities issued or to be issued by Renergen or a related or inter-related company.

SPECIAL RESOLUTION NUMBER 4: FINANCIAL ASSISTANCE TO RELATED OR INTER-RELATED COMPANIES

"Resolved that shareholders hereby approve, in terms of section 45 of the Companies Act, of the provision by Renergen of direct or indirect financial assistance to any of its present or future subsidiaries."

Special resolution 4 is hereby approved provided that no such financial assistance may be provided at any time in terms of this authority after the expiry of 2 years from the date of the adoption of the special resolution and provided that:

- The recipient(s) of such financial assistance, the form, nature and extent of such financial assistance, and the terms and conditions under which such financial assistance is provided, are determined by the Board from time to time
- The Board may not authorise Renergen to provide any financial assistance pursuant to this special resolution unless the Board meets all of the requirements set out in section 45 of the Companies Act, which it is required to meet in order to authorise Renergen to provide such financial assistance
- Such financial assistance to a recipient thereof is, in the opinion of the Board, required for the purpose of meeting all or any of such recipient's operating expenses (including capital expenditure), and/or funding the growth, expansion, reorganisation or restructuring of the businesses or operations of such recipient, and/or funding such recipient for any other purpose which, in the opinion of the Board, is directly or indirectly in the interests of Renergen

NOTES TO ANNUAL GENERAL MEETING

Section 45 of the Companies Act provides, inter alia, that any financial assistance to related or inter-related companies and corporations, including, inter alia, to subsidiaries of the Company, must be provided only pursuant to a special resolution of the shareholders, adopted within the previous 2 years, which approved such assistance either for the specific recipient, or generally for a category of potential recipients, and the specific recipient falls within that category, and the Board must be satisfied that:

- Immediately after providing the financial assistance, Renergen will satisfy the solvency and liquidity test, as defined in section 4 of the Companies Act
- The terms under which the financial assistance is proposed to be given are fair and reasonable to the Company
- Any conditions or restrictions in respect of the granting of financial assistance set out in Renergen's MOI have been satisfied

As part of the ordinary conduct of the business of Renergen, where necessary, Renergen may provide guarantees and other support undertakings to third parties which enter into financial agreements with its subsidiaries and joint ventures in which Renergen and its shareholders have an interest.

In the circumstances and in order to, *inter alia*, ensure that Renergen and its subsidiaries, or other related and inter-related companies, continue to have access to financing for purposes of refinancing existing facilities and funding their corporate and working capital requirements, it is necessary to obtain approval of the shareholders as set out in this special resolution.

OTHER BUSINESS

To transact such other business as may be transacted at an AGM or raised by shareholders with or without advance notice to Renergen.

By order of the Board

Acorim Proprietary Limited
Company Secretary

27 June 2019
Johannesburg

FORM OF PROXY

RENERGEN LIMITED

Incorporated in the Republic of South Africa
(Registration number: 2014/195093/06)
(Share code: REN ISIN: ZAE000202610)
(Renergen or the Company)

For use only by ordinary shareholders who:

1. Hold ordinary shares in certificated form ("certificated ordinary shareholders"); or
2. Have dematerialised their ordinary shares ("dematerialised ordinary shareholders") and are registered with "own name" registration,

at this Annual General Meeting ("AGM") of shareholders of Renergen to be held at 10:00 on Friday, 27 September 2019, at 1st Floor, No.1 Bompas Road, Dunkeld West, Johannesburg, and any adjournment thereof.

Dematerialised ordinary shareholders holding ordinary shares other than with "own name" registration who wish to attend the AGM must inform their Central Securities Depository Participant ("CSDP") or broker of their intention to attend the AGM and request their CSDP or broker to issue them with the relevant letter of representation to attend the AGM in person or by proxy and vote. If they do not wish to attend the AGM in person or by proxy, they must provide their CSDP or broker with their voting instructions in terms of the relevant custody agreement entered between them and the CSDP or broker. These ordinary shareholders must not use this form of proxy.

Name of beneficial shareholder:	
Name of registered shareholder:	
Address:	
Telephone: work ( )	home ( )
Cell: ( )	
being the holder/custodian of	ordinary shares in the Company, hereby appoint (see Note):
1.	or failing him/her,
2.	or failing him/her,
3. the Chairperson of the meeting	

as my/our proxy to attend and act for me/us on my/our behalf at the AGM of Renergen convened for purpose of considering and, if deemed fit, passing, with or without modification, the ordinary and special resolutions to be proposed thereat ("resolutions") and at each postponement or adjournment thereof and to vote for and/or against such resolutions, and/or abstain from voting, in respect of the ordinary shares in the issued share capital of Renergen registered in my/our name/s in accordance with the following instructions:

NOTES TO THE FORM OF PROXY

		NUMBER OF ORDINARY SHARES		
		FOR	AGAINST	ABSTAIN
1.	**Ordinary Resolution 1:** Re-election of B Kimber as an Independent Non-Executive Director			
2.	**Ordinary Resolution 2:** Confirmation of appointment of F Olivier as a Non-Executive Director			
3.	**Ordinary Resolution 3:** Confirmation of appointment of D King as an Independent Non-Executive Director			
4.	**Ordinary Resolution 4:** Election of chairperson and members of the Audit, Risk and IT Committee			
	4.1 Election of L Matteucci as a member and chairperson of the Audit, Risk and IT Committee			
	4.2 Election of M Swana as a member of the Audit, Risk and IT Committee			
	4.3 Election of B Maleke as a member of the Audit, Risk and IT Committee			
5.	**Ordinary Resolution 5:** Appointment of external auditor			
6.	**Ordinary Resolution 6:** General authority to issue shares for cash			
7.	**Ordinary Resolution 7:** Advisory endorsement of Remuneration Policy and Remuneration Implementation Report			
	7.1 Endorsement of Remuneration Policy			
	7.2 Endorsement of Remuneration Implementation Report			
8.	**Ordinary Resolution 8:** Signature of documents			
9.	**Special Resolution 1:** Non-executive directors' remuneration			
10.	**Special Resolution 2:** General authority to repurchase securities			
11.	**Special Resolution 3:** Financial assistance for subscription of securities			
12.	**Special Resolution 4:** Financial assistance to related or inter-related companies			

Please indicate instructions to proxy in the space provided above by the insertion therein of the relevant number of votes exercisable.

A member entitled to attend and vote at the AGM may appoint one or more proxies to attend and act in his/her stead. A proxy so appointed need not be a shareholder of Renergen.

Signed at ______________________ on ______________________ 2019

Signature ______________________

Assisted by (if applicable) ______________________

1. The form of proxy must only be completed by shareholders who hold shares in certificated form or who are recorded on the sub-register in electronic form in "own name".
2. All other beneficial owners who have dematerialised their shares through a CSDP or broker and wish to attend the AGM must provide the CSDP or broker with their voting instructions in terms of the relevant custody agreement entered into between them and the CSDP or broker.
3. A shareholder entitled to attend and vote at the AGM may insert the name of a proxy or the names of two alternate proxies (none of whom need be a shareholder of the Company) of the shareholder's choice in the space provided, with or without deleting "the Chairperson of the meeting". The person whose name stands first on this form of proxy and who is present at the AGM will be entitled to act as proxy to the exclusion of those proxy(ies) whose names follow. Should this space be left blank, the proxy will be exercised by the Chairperson of the meeting.
4. A shareholder is entitled to one vote on a show of hands and, on a poll, one vote in respect of each ordinary share held. A shareholder's instructions to the proxy must be indicated by the insertion of the relevant number of votes exercisable by that shareholder in the appropriate space provided. If an "X" has been inserted in one of the blocks to a particular resolution, it will indicate the voting of all the shares held by the shareholder concerned. Failure to comply with this will be deemed to authorise the proxy to vote or to abstain from voting at the AGM as he/she deems fit in respect of all the shareholders' votes exercisable thereat. A shareholder or the proxy is not obliged to use all the votes exercisable by the shareholder or by the proxy, but the total of the votes cast and in respect of which abstention is recorded may not exceed the total of the votes exercisable by the shareholder or the proxy.
5. A vote given in terms of an instrument of proxy shall be valid in relation to the AGM notwithstanding the death, insanity or other legal disability of the person granting it, or the revocation of the proxy, or the transfer of the ordinary shares in respect of which the proxy is given, unless notice as to any of the aforementioned matters shall or have been received by the transfer secretaries not less than 48 (forty-eight) hours before the commencement of the Annual General Meeting.
6. If a shareholder does not indicate on this form that his/her proxy is to vote in favour of or against any resolution or to abstain from voting, or gives contradictory instructions, or should any further resolution(s) or any amendment(s) which may properly be put before the AGM be proposed, such proxy shall be entitled to vote as he/she thinks fit.
7. The chairperson of the AGM may reject or accept any form of proxy which is completed and/or received other than in compliance with these notes.
8. A shareholder's authorisation to the proxy, including the chairperson of the AGM, to vote on such shareholder's behalf shall be deemed to include the authority to vote on procedural matters at the AGM.
9. The completion and lodging of this form of proxy will not preclude the relevant shareholder from attending the AGM and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof.
10. Documentary evidence establishing the authority of a person signing the form of proxy in a representative capacity must be attached to this form of proxy, unless previously recorded by the Company's transfer secretaries or waived by the chairperson of the AGM.
11. A minor or any other person under legal incapacity must be assisted by his/her parent or guardian, as applicable, unless the relevant documents establishing his/her capacity are produced or have been registered by the transfer secretaries of the Company.
12. Where there are joint holders of ordinary shares:
    - any one holder may sign the form of proxy
    - the vote(s) of the senior ordinary shareholders (for that purpose seniority will be determined by the order in which the names of ordinary shareholders appear in the Company's register of ordinary

shareholders) who tender a vote (whether in person or by proxy) will be accepted to the exclusion of the vote(s) of the other joint shareholder(s)

13. Forms of proxy should be lodged with or mailed to Computershare Investor Services Proprietary Limited:

Hand deliveries to:	**Postal deliveries to:**
Computershare Investor Services Proprietary	Computershare Investor Services Proprietary
Rosebank Towers 15 Biermann Avenue, Rosebank 2096	PO Box 61051 Marshalltown 2107

to be received by no later than 10:00 on Wednesday, 25 September 2019 (or 48 (forty-eight) hours before any adjournment of the AGM which date, if necessary, will be notified on SENS).

14. A deletion of any printed matter and the completion of any blank space need not be signed or initialed. Any alteration or correction must be signed and not merely initialed.

15. Summary of the rights of a shareholder to be represented by proxy, as set out in section 58 of the Companies Act:

- A proxy appointment must be in writing, dated and signed by the shareholder appointing a proxy, and, subject to the rights of a shareholder to revoke such appointment (as set out below), remains valid only until the end of the relevant shareholders' meeting
- A proxy may delegate the proxy's authority to act on behalf of a shareholder to another person, subject to any restrictions set out in the instrument appointing the proxy
- The appointment of a proxy is suspended at any time and to the extent that the shareholder who appointed such proxy chooses to act directly and in person in the exercise of any rights as a shareholder
- The appointment of a proxy is revocable by the shareholder in question cancelling it in writing, or making a later inconsistent appointment of a proxy, and delivering a copy of the revocation instrument to the proxy and to the Company. The revocation of a proxy appointment constitutes a complete and final cancellation of the proxy's authority to act on behalf of the shareholder as of the later of:
  a. the date stated in the revocation instrument, if any
  b. the date on which the revocation instrument is delivered to the Company as required in the first sentence of this paragraph
- If the instrument appointing the proxy or proxies has been delivered to the Company, as long as that appointment remains in effect, any notice that is required by the Companies Act or the Company's Memorandum of Incorporation to be delivered by the Company to the shareholder, must be delivered by the Company to:
  a. the shareholder
  b. the proxy or proxies, if the shareholder has (i) directed the Company to do so in writing; and (ii) paid any reasonable fee charged by the Company for doing so
- The completion of a form of proxy does not preclude any shareholder from attending the AGM

07

CORPORATE INFORMATION

DEFINITIONS

AGM	Annual General Meeting
AltX	AltX is an alternative public equity exchange for small and medium-sized companies in South Africa operated in parallel with and wholly owned by the JSE Securities Exchange
ASX	Australian Stock Exchange
Balance of Payments (BOP)	The balance of payments is the record of all international financial transactions made by a country's resident
Bcf	Billion cubic feet
CEO	Chief Executive Office
CFO	Chief Financial Office
CH4	Methane
CNG	Compressed Natural Gas
Company	Refers to Renergen only
COO	Chief Operating Office
EBIT	Earnings before interest and taxes
EIA	Environmental Impact Assessment
ERM	Enterprise Risk Management
ERP	Enterprise Resource Planning
Exco	Executive Committee
FCTR	Foreign currency translation reserve
FEED	Front End Engineering and Design
FVTOCI	Fair value through other comprehensive income
GETSC	Governance, Ethics, Transformation, Social and Compensation Committee
GJ	Gigajoules
Governing Body	Means the Board, as per King IV
GRI	Global Reporting Initiatives
Group	Refers to Renergen and its subsidiary, Tetra4
HDSA	Historically Disadvantaged South Africans
He	Helium
IAS	International Accounting Standard
IDC	Industrial Development Corporation
IFRS	International Financial Reporting Standards
IIRC	International Integrated Reporting Council's International <IR> Framework
INED	Independent Non-executive Directors
IRBA	Independent Regulatory Board for Auditors
IT	Information technology
JSE	Johannesburg Stock Exchange
Kg	Kilograms
King IV	King IV Report on Corporate Governance for South Africa

LNG	Liquefied Natural Gas
LPG	Liquid Petroleum Gas
MRI	Magnetic Resonance Imaging
NED	Non-executive Directors
NG	Natural Gas
OECD	Organisation for Economic Co-operation and Development's
PASA	Petroleum Agency of South Africa
Probable	Probable Reserves, 50% Certainty of Commercial Extraction
Proven	Proved Reserves, 90% Certainty of Commercial Extraction
RoD	Record of Decision
ROI	Return on Investment
SAICA	The South African Institute of Chartered Accountants
SCF	Standard Cubic Feet
SENS	Stock Exchange News Service
SPAC	Special purpose acquisition company
Tetra4	A subsidiary of Renergen
UNGC	United Nations Global Compact
US dollar	United States Dollar ($)
Windfall	Windfall Energy Proprietary Limited

CORPORATE INFORMATION

RENERGEN LIMITED

Date of incorporation: 30 September 2014
Place of incorporation: South Africa

COMPANY SECRETARY AND REGISTERED ADDRESS OF RENERGEN

ACORIM PROPRIETARY LIMITED

(Registration number 2014/195093/06)

1 Bompas Road
Dunkeld West
2196

Postnet Suite 610
Private Bag x10030
Randburg
2125

DESIGNATED ADVISER

PSG CAPITAL

(Registration number 2006/015817/07)

2nd Floor, Bowmans Building
11 Alice Lane
Sandton
2196

PO Box 650957
Benmore
2010

AUDITORS

BDO South Africa Incorporated

(Practice number 905526)

Wanderers Office Park
52 Corlette Drive
Illovo
2196

Private Bag X28
Benmore
2010

ATTORNEYS

NORTON ROSE FULBRIGHT SOUTH AFRICA INC

10th floor, Norton Rose House
8 Riebeek Street
Cape Town
8001

Private Bag X10
Roggerbaai
8012

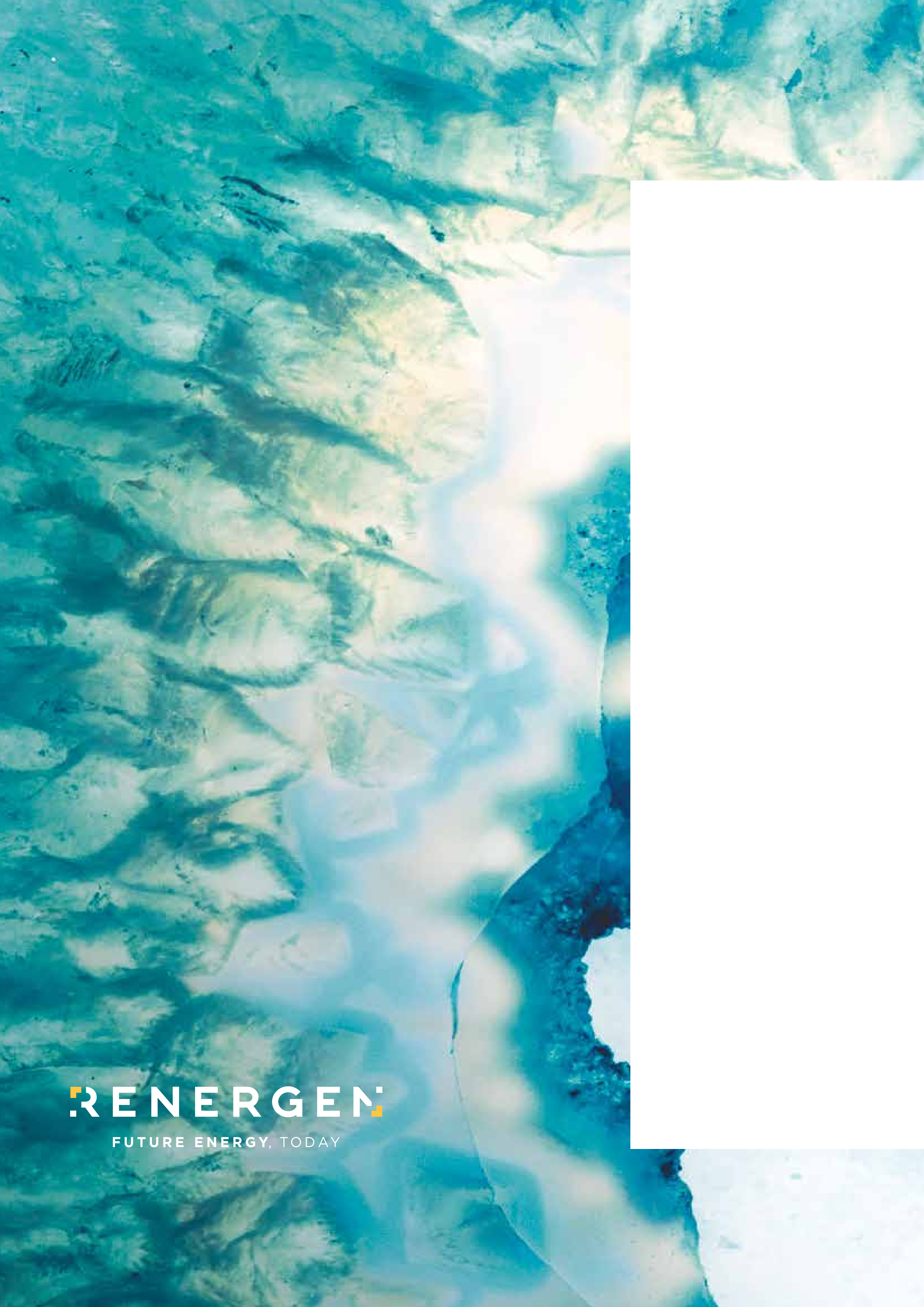
TRANSFER SECRETARIES

COMPUTERSHARE INVESTOR SERVICES PROPRIETARY LIMITED

(Registration number 2004/003647/07)

Rosebank Towers
15 Biermann Avenue
Rosebank

PO Box 61051
Marshalltown
2107


RENERGEN
FUTURE ENERGY, TODAY

Corporate Governance Statement

Renergen Limited
Registration number: 2014/195093/06
ABN: 93 998 352 675
ARBN: 633 046 830

Corporate Governance Statement

Introduction

The practice of good corporate governance is vital in enhancing investor confidence in corporate accountability by demonstrating a commitment to transparency. Renergen Limited (**Company**) is committed to the principles of corporate governance.

The ASX Corporate Governance Principles and Recommendations (4th edition) (**Recommendations**) form the benchmark for corporate governance for listed companies in Australia.

The Recommendations are intended to be a reference point for companies about their corporate governance structures and practices. A company may choose not to implement certain Recommendations, provided that the company explains why it has not done so and what alternate approaches have been adopted.

The Recommendations require companies to communicate their corporate governance practices through both the annual report and the company web page. This summary of our corporate governance practices forms part of this communication.

The relevant Recommendation reference has been included below each point of this summary.

Board

1 Introduction

1.1 The role of the board (**Board**) is to oversee the management of the Company as well as provide strategic guidance. We have adopted a Board charter (**Charter**) which formally sets out the functions and responsibilities of the Board, those matters expressly reserved to the Board and those matters delegated to management, with the objective of the Board being able to perform its role more effectively. This creates a system of checks and balances to provide a balance of authority.

(ASX Recommendation 1.1)

2 Directors

2.1 The Chairman, Brett Kimber, is a non-executive director. The board has determined, that Brett Kimber is an independent director.

2.2 The duties of Chairman and of CEO are currently carried out by separate people. The CEO is Stefano Marani.

Name of Director	Independent? Y/N	Any relationship affecting independence?	Skills and experience relevant to the position	Appointment Date
Brett Kimber (Chairman)	Y	None	BSc Hons Mineral Economics; BSc Hons Geochemistry CEO of Eazi Access Rental Pty Ltd, former Managing Director of African Oxygen Limited.	17 June 2015
Stefano Marani (CEO)	N	Managing Director, Chief Executive Officer	BSc Actuarial Science; BSc Hons in Advanced Mathematics of Finance CEO of Renergen Limited, structured finance and advisory experience at Deutsche Bank and Morgan and Stanley.	20 November 2014
Fulufhedzani Ravele	N	Executive Director, Chief Financial Officer	B Comm Financial Accounting; Postgraduate Diploma in Accounting; CA(SA), Applied Financial Management (Wits Business School), CIMA Adv Dip MA (CIMA advanced diploma in management accounting)	25 November 2015
Nick Mitchell	N	Executive Director, Chief Operating Officer	Microsoft Certified Systems Engineer (MCSE), A+ Certified Chairman of Onshore Petroleium Association of South Africa	25 November 2015
Mbali Swana	Y	None	Bas (UCT); Barch (UCT); Pr Arch (SA); MIAT (SA) Chief Executive Officer of Prop5 Corporation Proprietary Limited	16 February 2015
Luigi Matteucci	Y	None	CA(SA); B Com (Wits); CTA (Wits) Former Financial Director of Highveld Steel and Vanadium Corporation Limited	3 May 2016
Bane Maleke	Y	None	BA. MBA and PhD Senior management at the Development Bank of South Africa	7 December 2016
Francois Olivier	N	None	CA(SA), CFA, B.Com (Hons) University of Pretoria	19 November 2018

Name of Director	Independent? Y/N	Any relationship affecting independence?	Skills and experience relevant to the position	Appointment Date
			Executive committee member at Mazi Asset Management.	
David King	Y	None	PhD; MSc; FAusIMM; FAICD Managing Director of ASX listed gold producer North Flinders Mines, CEO of oil & gas producers Beach Petroleum and Claremont Petroleum, and Chairman of Robust Resources Ltd. David is currently Non-Executive Director of ASX listed Galilee Energy Limited and Tap Oil Ltd; Chairman of ASX listed company Cellmid Limited, and Oslo Axess listed African Petroleum Corporation Limited; and Chairman of AIM listed Litigation Capital Management Limited	Date of Listing on ASX

(ASX Recommendations 2.3, 2.4 and 2.5)

3 Responsibilities

3.1 The responsibilities of the Board, as set out in the Charter, include:

(1) providing leadership and approving the strategic objectives of the Company and establishing goals to promote their achievement;

(2) monitoring the operational and financial position and performance of the Company;

(3) implementing procedures to allow Directors to inform themselves of the Company's business and financial status;

(4) establishing investment criteria including acquisitions and divestments, approving investments, and implementing ongoing evaluations of investments against such criteria;

(5) determining dividend policy and the amount, nature and timing of dividends to be paid (if any);

(6) approving and monitoring the progress of major capital expenditure, capital management and major acquisitions and divestitures;

(7) providing oversight of the Company, including its control and accountability systems;

(8) establishing written policies on compliance, risk oversight and management;

(9) setting appropriate levels of delegated authority to management;

(10) assessing and determining whether to accept risks beyond the delegated authority provided to management;

(11) overseeing management's implementation of the Company's strategic objectives and its performance generally;

(12) reviewing, ratifying and monitoring systems of risk management and internal compliance and control, codes of conduct and legal compliance, in conjunction with the Company's Audit and Risk Management Committee, and ensuring they are operating effectively;

(13) appointing and removing the Chief Executive Officer (or equivalent) (**CEO**) and monitoring their performance;

(14) appointing and removing other senior executives (including senior and key officers of the Company) (**Senior Executives**);

(15) ratifying the appointment of the Directors and, where appropriate or applicable, the Company's secretary (**Secretary**);

(16) approving the Company's remuneration framework, including approving remuneration of the CEO and the remuneration policy and succession plans for the CEO;

(17) identifying business risks facing the Company and using reasonable endeavours to ensure that appropriate monitoring and reporting internal controls are in place to manage such risks;

(18) approving and monitoring financial and other reporting and disclosure, including the Company's budgets and the external audit;

(19) using reasonable endeavours to ensure the Company complies with its responsibilities under the *Corporations Act 2001* (Cth), the Company's Constitution, the ASX Listing Rules and other relevant laws;

(20) to the extent practicable ensuring that the Company's workforce, including its Board of Directors, is made up of individuals with diverse skills, values, backgrounds and experience to the benefit of the Company.

(21) from time to time considering the social, ethical and environmental impact of the Company's activities, setting standards and monitoring compliance with the Company's sustainability policies and practices;

(22) exercising due care and diligence and sound business judgment in the performance of those functions and responsibilities;

(23) providing oversight and monitoring of Workplace Health & Safety (**WHS**) issues in the Company and considering appropriate WHS reports and information; and

(24) using reasonable endeavours to ensure that appropriate resources are available to Senior Executives.

3.2 The responsibilities delegated by the Board to the Senior Executives include:

(1) managing day-to-day operations in accordance with the standards for social and ethical practices which have been set by the Board; and

(2) developing and implementing corporate strategies and making recommendations on significant corporate strategic initiatives.

(ASX Recommendation 1.1)

4 Board Structure

4.1 The Board is currently structured such that 5 are independent directors. By "independent" it is meant that the Board has determined that each Director is independent of management and free of any business or other relationship that could materially interfere with the exercise of independent judgment *(see further point 5 below)*.

4.2 The Chairman, Brett Kimber, is a non-executive director and not the Chief Executive Officer of the Company.

(ASX Recommendations 2.3, 2.4 and 2.5)

5 Independent Directors

5.1 A Director is deemed to be independent if, amongst other things, they are a non-executive Director and considering the following factors:

(1) whether they are a substantial shareholder;

(2) whether they are employed in an executive capacity currently or have been within the Company in the last 3 years;

(3) whether they are a material consultant to the Company currently or have been within the last 3 years;

(4) whether they are a material supplier or customer of the Company;

(5) whether they have any material contractual relationship with the Company;

(6) whether they have served on the Board for a period which could materially interfere with their ability to act in the best interests of the Company; and

(7) whether they are free from any interest which could materially interfere with their ability to act in the best interests of the Company.

5.2 We assess the materiality thresholds referred to above, and other matters, on a case-by-case basis.

(ASX Recommendations 2.3 and 2.4)

6 Establishment of committees

6.1 The Board has established the following committees:

(1) Nomination and Remuneration Committee – to deal with the appointment and removal of the Company's Directors and to ensure that the Company remunerates fairly and responsibly *(further details of which are discussed in point 8)*; and

(ASX Recommendations 2.4 and 8.1)

(2) Audit and Risk Management Committee – to protect the integrity of financial reports *(further details of which are discussed in point 14).*

(ASX Recommendations 4.1 and 7.1)

7 Composition of committees

7.1 Members of Committees

As at the date of this document, the composition of the Committees is as set out in point 8.2 and 14.4.

(ASX Recommendations 2.1, 4.1, 7.1 and 8.1)

7.2 Attendance at meetings

The attendance of all board and committee members at meetings will be reported in the annual report.

(ASX Recommendations 2.1, 4.1, 7.1 and 8.1)

8 Appointment and removal of Directors

8.1 Written Agreements

The Company will have a written agreement with each director and senior executive setting out the terms of their appointment.

(ASX Recommendation 1.3)

8.2 Nomination and Remuneration Committee

The Nomination and Remuneration Committee regulates the tenure, size and composition of the Board. Below is a summary of the Nomination and Remuneration Committee's role and responsibilities, structure and membership requirements.

(1) **Members**

The Nomination and Remuneration Committee has 5 members, with 4 being an independent Director.

As at the date of this document, the Nomination and Remuneration Committee consists of:

- Brett Kimber (Chair);
- Luigi Matteucci
- Bane Maleke
- Mbali Swana; and
- Nick Mitchell.

Members of the Nomination and Remuneration Committee are appointed and removed by the Board. Members of the Nomination and Remuneration Committee must have an appropriate level of understanding of:

(a) the principles of corporate governance, including knowledge of the ASX Recommendations;

(b) the Company's businesses and organisation structure;

(c) the functions of the Board and the various roles and responsibilities of directors and other Senior Executive positions;

(d) Company management, at a senior management level;

(e) the disclosure requirements under the *Corporations Act 2001* (Cth) and the ASX Listing Rules in respect to executive and director remuneration; and

(f) the complexities involved in negotiating and determining executive remuneration packages.

(2) **Responsibilities**

Responsibilities of the Nomination and Remuneration Committee include:

(a) recommendations for the appointment and removal of Directors;

(b) assessing director competencies;

(c) evaluating the Board's performance;

(d) review of Board succession plans;

(e) the executive remuneration policy;

(f) the non-executive remuneration policy;

(g) remuneration packages for executive Directors and Senior Executives;

(h) merit recognition arrangements; and

(i) termination arrangements.

(3) **Meetings**

The Nomination and Remuneration Committee will meet as frequently as required and at least twice a year. Any member of the Nomination and Remuneration Committee may request that the Secretary call a meeting. A quorum at such meetings consists of at least 2 members, 1 of which must be independent (to the extent that a member of the Nomination and Remuneration Committee is an independent director).

(ASX Recommendations 2.1 and 8.1)

8.3 **Appointing new directors to the Board**

Nominations for new directors are made by the Nomination and Remuneration Committee and considered by the Board as a whole. Assessment criteria include background, experience, professional skills, personal qualities, whether their skills and experience will augment the existing Board and their availability to commit themselves to the Board's activities.

All newly appointed directors who are appointed by the Board must stand for election by shareholders at the next annual general meeting.

(ASX Recommendations 1.2 and 2.1)

8.4 Board Skills Matrix

The Nomination and Remuneration Committee Charter provides that the Nomination and Remuneration Committee should develop and then update as required, a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.

(ASX Recommendation 2.2)

8.5 Induction and Continuing Development

The Nomination and Remuneration Committee Charter provides that the Nomination and Remuneration Committee must implement an effective induction process for new Board appointees and Senior Executives. This induction process must include:

(1) information about the Company;

(2) information about the industry within which the Company operates; and

(3) an induction program that enables new directors and executives to gain an understanding of:

 (a) the Company's financial, strategic, operational and risk management position;

 (b) their rights, duties and responsibilities; and

 (c) the role of any Board committees.

The Nomination and Remuneration Committee must review the induction process annually to ensure that it is up to date and effective.

The Nomination and Remuneration Committee must ensure that Board appointees and executives have access to continuing education to update and enhance their skills and knowledge. This may include education concerning key developments in the Company and within the industry and environments within which it operates.

(ASX Recommendation 2.6)

9 Independent advice

9.1 In order to facilitate independent judgment in decision making each director has the right to seek independent professional advice at the Company's expense.

(ASX Recommendation 1.1)

Remuneration and performance

10 Summary of performance evaluation

10.1 The performance of the Board and Senior Executives is reviewed regularly against both quantitative and qualitative measures to ensure that the Directors and Senior Executives obtain adequate feedback on the discharge of their responsibilities.

10.2 The Nomination and Remuneration Committee is responsible for evaluating the Board's performance. In addition, the Board regularly reviews its overall performance, as well as the performance of other committees, individual Directors and Senior Executives.

(ASX Recommendations 1.6, 1.7 and 2.1)

11 Remuneration policy

11.1 The remuneration policy is designed to ensure that the level and composition of remuneration is both competitive and reasonable. Remuneration is intimately connected to performance and is intended to be appropriate for the results delivered. The Company's policies are designed to attract and maintain talented and motivated Directors and employees as well as raising the level of performance of the Company.

(ASX Recommendation 8.1)

11.2 The Board has the discretion to reward eligible employees with the payment of bonuses, share options and other incentive payments. These incentive payments are designed to link rewards to performance and are determined by both financial and non-financial imperatives.

(ASX Recommendation 8.1)

12 Remuneration of non-executive Directors

12.1 It is recommended that the remuneration packages of non-executive Directors are generally fee based. Non-executive Directors do not participate in the schemes designed for the remuneration of executives, nor do they receive options, bonus payments or any retirement benefits other than statutory superannuation.

(ASX Recommendation 8.2)

13 Equity based remuneration

13.1 The Nomination and Remuneration Committee will be responsible for considering and developing a policy on whether participants in an equity-based remuneration scheme are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme.

(ASX Recommendation 8.3)

Financial reporting

14 Internal auditing

14.1 The Company currently does not have an internal audit function. However, certain procedures have been put in place to manage risk and ensure, as far as possible, accuracy in financial reporting. These procedures are supervised by the Audit and Risk Management Committee.

14.2 An Audit and Risk Management Committee has been established by the Board to protect the integrity of financial reports. The importance of an Audit and Risk Management Committee is universally recognised in the practice of good corporate governance and plays a key role in focussing the Board on matters relevant to the integrity of financial reporting.

(ASX Recommendations 4.1 and 7.1)

14.3 In order to give the Audit and Risk Management Committee the ability to exercise independent judgment, the Audit and Risk Management Committee Charter specifies that that the Audit and Risk Management Committee should consist of:

(1) only non-executive Directors;

(2) a majority of independent Directors (to the extent practicable given the size and composition of the Board);

(3) an independent chairperson, who is not the Chair of the Board; and

(4) at least 3 members.

(ASX Recommendations 4.1 and 7.1)

14.4 **Composition of the Audit and Risk Management Committee**

As at the date of this document, the Audit and Risk Management Committee consists of:

- Luigi Matteucci (Chair);
- Mbali Swana ; and
- Bane Maleke.

(ASX Recommendations 4.1 and 7.1)

14.5 **Charter of the Audit and Risk Management Committee**

The charter of the Audit and Risk Management Committee sets out its role and responsibilities, structure and membership requirements.

(1) **Responsibilities**

The responsibilities of the Audit and Risk Management Committee includes:

(a) overseeing the independence of the external auditors; and

(b) the management of operational risk.

(2) **Meetings**

The Audit and Risk Management Committee will meet as frequently as required and at least three times a year. Any member of the Audit and Risk Management Committee may call a meeting. A quorum at such meetings consists of at least 2 members, 1 of which must be independent (to the extent there is an independent director on the Audit and Risk Management Committee).

(3) **Expertise**

Every member of the Audit and Risk Management Committee is able to read and understand financial statements and at least 1 member is a qualified accountant or other financial professional with experience in financial and accounting matters.

(4) **Reporting**

The Audit and Risk Management Committee reports to the Board at the first Board meeting subsequent to each Audit and Risk Management Committee meeting. Each report contains all matters relevant to the Audit and Risk Management Committee's role and responsibilities.

(ASX Recommendations 4.1 and 7.1)

15 External auditing

15.1 The Audit and Risk Management Committee is responsible for making recommendations to the Board concerning the appointment of external auditors and the terms of their engagement. The Audit and Risk Management Committee reviews the performance of the external auditors and annually reviews the Company's and subsidiary's policy on maintaining the independence of the external auditor. The independent external auditor reports directly to the Audit and Risk Management Committee and the Board.

(ASX Recommendation 4.1)

Risk management

16 CEO and CFO assurances

16.1 In order to create an environment for identifying and capitalising on opportunities, the Board has established a sound system of risk oversight and management. To encourage management accountability in this area, the Senior Executives are required to design and implement the risk management and internal control system to manage the Company's material business risks and report on whether those risks are being managed effectively.

(ASX Recommendation 7.2)

16.2 Further, both the CEO and Chief Financial Officer or equivalent (**CFO**) are required to provide written assurances to the Board that the financial reports submitted to the Board present a true and fair view of the Company's financial position and operational results and that the Company's risk management and internal compliance and control system is operating efficiently and effectively.

(ASX Recommendation 4.2)

17 Risk management policy

17.1 In order to recognise and manage risk we have established an internal compliance system under which risk is identified, assessed, monitored and managed. This structure is designed and implemented by the Audit and Risk Management Committee as one of its key responsibilities is to oversee the establishment and implementation of the risk management system.

(1) **Risk management**

All material risks affecting the Company, including both financial and non-financial matters, are considered and reviewed regularly by the Audit and Risk Management Committee.

(2) **Assessment of effectiveness**

The effectiveness of the risk management system is reviewed by the Audit and Risk Management Committee at least once a year.

(3) **Annual Report**

The Audit and Risk Management Committee must provide the Board with advice and recommendations regarding the appropriate material and disclosures to be included in the Corporate Governance Statement and Operating and Financial Review of the Company's annual report which relate to the Company's audit and risk management policies and practices.

The following information must be included in the Corporate Governance Statement or references to where the information can be found must be included in the Annual Report:

(a) the names and qualifications of those appointed to the Committee and their attendance at meetings of the Audit and Risk Management Committee;

(b) the number of meetings of the Audit and Risk Management Committee;

(c) an explanation of any departures from the Recommendations;

(d) whether the Board has received a report from management as to the effectiveness of the Company's management of its material business risks; and

(e) whether the Board has received written assurances from the CEO and the CFO that:

(i) the financial reports submitted to the Board present a true and fair view of the Company's financial condition and operational results; and

(ii) the Company's risk management and internal compliance and control system is operating efficiently and effectively.

The Operating and Financial Review in the Company's Annual Report should include a discussion of environmental and other sustainability risks where those risks could affect the entity's achievement of its financial performance or outcomes disclosed, taking into account the nature and business of the entity and its business strategy (and otherwise comply with ASIC Regulatory Guide 247).

(ASX Recommendations 7.1,7.2 and 7.4)

Code of Conduct

18 Summary of Code of Conduct (Code)

18.1 The Company seeks to be recognised as an organisation committed to the highest ethical standards in business. The Code provides an outline of the standards of ethical behaviour expected of Directors and employees and provides for the accountability of unethical practices.

The conduct of the Directors and employees is governed by the following principles:

(1) responsibilities to shareholders and the financial community

(a) the Company values communication with its shareholders, other stakeholders, and the public at large. Full, fair and timely disclosure of relevant information is made to shareholders and the ASX;

(2) employment practices

(a) integrity and professionalism – to act honestly and with integrity in all dealings of the Company;

(b) active compliance with the law;

(c) achieving gender diversity set by the Board in accordance with the diversity policy – to disclose progress towards achieving them;

(d) conflicts of interest – to fully disclose any matters which may lead to conflicts of interest; and

(e) confidential information – complying with the restrictions on the use of non-public information except where disclosure is either authorised or mandated by law;

(3) fair trading and dealing

(a) the Company will not engage in anticompetitive practices that unlawfully restrict the free market economy.

As part of the active promotion of ethical behaviour any behaviour that does not comply with this Code must be duly reported. Protection will be provided for those who report violations in good faith.

(ASX Recommendations 1.5 and 3.1)

Policies

19 Summary of the provisions of the Securities Dealing Policy

19.1 The Company has adopted a policy on the trading of the Company's securities by potential 'insiders' (**Securities Dealing**) which is formulated to establish compliance standards designed to promote ethical and responsible decision making. The Securities Dealing

Policy is published on the Company’s website in the spirit of transparency and it complements the laws prohibiting insider trading. It also complies with the disclosure provisions of the ASX Listing Rules.

The Securities Dealing Policy applies constraints on directors, key management personnel and employees of the Company.

(1) **Notification**

Designated officers and key management personnel are required to notify an appropriate senior member of the group of their intention to trade Company securities and obtain consent to do so. Subsequent confirmation of the trading that has occurred is also required.

(2) **Communication**

All employees of the Company, including Directors, key management personnel, and officers, are prohibited from communicating price sensitive information to a person who may deal in securities of the Company. External advisers must be bound by confidentiality agreements.

(3) **Blackouts**

All Directors, key management personnel and employees must only deal in securities of the Company during:

(a) the six week period following the announcement of the Company’s half yearly or annual financial results to ASX (Trading Window) but subject to any additional restriction that the Company may put in place during that period; and

(b) any other period designated by the Board.

(ASX Listing Rules 12.9, 12.10, 12.11 and 12.12)

20 Summary of Shareholder Communication Policy

20.1 The Company’s communications strategy (contained in the Shareholder Communication Policy) is designed to empower shareholders by giving them access to balanced and understandable information on the Company. The Company is required under the *Corporations Act 2001* (Cth) and the ASX Listing Rules to keep the market fully informed of all information that could have a material effect on the value of its securities.

(1) **Regular shareholder communication**

The Company is committed to maintaining direct, open and timely communications with all shareholders. The use of electronic communication provides broader access to Company information by investors and stakeholders and a greater opportunity for more effective communication. It also provides improved access for shareholders who are unable to attend meetings.

(2) **Electronic communication**

Shareholders may communicate with the Company by sending an email or writing to the Company at any contact address on the Company’s website.

If the Company has provided the Company’s share registry with the relevant notification shareholders will be provided with information and announcements released to the ASX by email. To the extent practicable, all communications to shareholders will be formatted to be easily readable on a computer screen and other electronic devices commonly used for that purpose, and include a printer-friendly option for shareholders who wish to retain a hard copy of the communication.

(3) **Meetings**

Part of the Company's communication strategy involves making it easier for shareholders to participate in general meetings. All shareholders will be invited to attend the AGM and the Chair's report will be forwarded to all shareholders.

The Company will also request that the external auditor attend the AGM and be available to answer shareholder questions about the audit as well as the preparation and content of the audit reports.

(ASX Recommendations 4.3, 6.2, 6.3,6.4 and 6.5)

21 Summary of the Price Sensitive Information Policy

21.1 The purpose of the Price Sensitive Information Policy is to ensure that there are mechanisms in place to provide all investors with equal and timely access to material information concerning the Company. Such information must be presented in a clear and balanced way so as to not omit any material information.

These policies are designed to ensure that the Company meets its continuous disclosure obligations under the ASX Listing Rules.

(1) **Type of information that needs to be disclosed**

Listing Rule 3.1 states that any information that a reasonable person would consider to have a material effect on the value of the Company's securities must be disclosed. Examples of such information include a change in revenue, asset values or significant transactions.

(2) **Disclosure Officer**

The Board has appointed the Secretary to act as the disclosure officer (**Disclosure Officer**) to be responsible for communications with the ASX and to decide what information must be disclosed. The Disclosure Officer holds the primary responsibility for ensuring that the Company complies with its disclosure obligations.

In addition, the Directors, employees or consultants are all responsible for reporting price sensitive information that is not generally available to the Disclosure Officer.

(3) **Accountability**

Contravention of the continuous disclosure obligations can result in a series of penalties under the Act ranging from civil penalties to criminal liability.

(ASX Recommendation 5.1)

22 Summary of the Diversity Policy

22.1 The purpose of the Diversity Policy is to assist the Company to achieve its objectives and deliver outcomes for its stakeholders, by enabling it to attract and retain the most qualified and experienced individuals to its workforce.

22.2 The Company aims to ensure that its workforce, including our board of directors, is made up of individuals with diverse skills, values, backgrounds and experience to the benefit of the Company.

22.3 The Policy sets out the guidelines by which the Company endeavours to increase diversity throughout the Company, including at Board level.

(1) **Statement of principles**

The Company is committed to:

(a) equality of opportunity throughout the organisation;

(b) recruiting and retaining the best candidates for positions; and

(c) treating individuals with respect.

(2) **Board responsibilities**

The Board, or an appropriate committee of the Board, is charged with establishing measurable objectives for achieving gender diversity targets, within the Company and at the Board. The Board is to assess the performance of the Company annually in achieving the objectives, and review the objectives themselves annually.

The Board will ensure that as part of its Board selection policy recruitment and selection practices at Board level are appropriately structured so that a diverse range of candidates are considered and that there are no conscious or unconscious biases that might discriminate against certain candidates.

(3) **Management responsibilities**

Management is charged with achieving the diversity objectives set by the Board and will be responsible for reporting to the Board on the progress towards and the achievement of the diversity objectives.

(4) **Reporting**

In its annual report, the Company will report on the objectives set by the Board and the Company's achievements or progress towards achieving those objectives. The Company will also report on the proportion of female women employees in the whole organisation, women in Senior Executive positions and women on the Board of the Company.

(ASX Recommendations 1.5 and 3.2)

Adopted on 23 April 2019.

Diversity Policy

Renergen Limited
Registration number: 2014/195093/06
ABN: 93 998 352 675
ARBN: 633 046 830

1 Purpose

1.1 At Renergen Limited (**Company**), we are a performance-oriented organisation.

1.2 The Company recognises that people are its most important asset and is committed to the maintenance and promotion of workplace diversity. Our commitment to diversity is genuine, but it is only one of a range of objectives considered by the Board in making decisions and appointments. In the pursuit of diversity, we also acknowledge the importance of alignment and cultural compatibility between the organisation as a whole (and its vision, strategy and objectives), and the individual employees within.

1.3 We believe that promoting diversity and equal opportunity contributes positively to improving our business and our performance. We aim to ensure that our workforce, including our board of directors (**Board**), is made up of individuals with diverse skills, values, backgrounds and experience to the benefit of the Company.

1.4 Diversity assists us to achieve our objectives and deliver outcomes for our stakeholders, by enabling us to attract, retain and motivate the most suitably qualified and experienced individuals to our workforce.

2 Scope

2.1 This policy (**Policy**) applies to all directors, employees, whether full-time, part-time, casual or temporary.

3 Effect of the Policy

3.1 This Policy sets out the guidelines by which the Company will endeavour to increase diversity throughout the Company, including at the Board level.

3.2 The contents of this Policy, to the extent that they impose obligations on the Company, do not constitute contractual terms, conditions or representations.

4 Diversity

4.1 Diversity refers to characteristics such as age, gender, sexual orientation, gender identity, marital or family status, cultural background, race, religion, disability and ethnicity.

4.2 The Company will not discriminate against individuals on any of the following grounds:

- Gender
- Parental status
- Age
- Race
- Political belief or activity
- Ethnicity or cultural background
- Relationship status
- Family responsibilities
- Irrelevant criminal record
- Impairment
- Trade union activity (or inactivity)
- Irrelevant medical record
- Pregnancy
- Breastfeeding
- Gender identity

- Religious belief or activity
- Lawful sexual activity
- Physical features
- Association with or relation to a person identified on the basis of an attribute associated with any of the above grounds.

5 Statement of principles

5.1 The Company is committed to:

(1) equality of opportunity throughout our organisation;

(2) recruiting and retaining the best candidates for positions; and

(3) treating individuals with respect.

5.2 The Company cannot and will not tolerate discrimination, harassment, vilification or victimisation in the workplace.

5.3 The Company recognises that employees (male and female) at all levels may have domestic responsibilities, and it will to the extent practicable and as part of a balanced working relationship, use its reasonable endeavours to assist those persons meet those responsibilities.

6 Key areas of focus

6.1 The Company is currently focussed on maintaining and increasing diversity in the following key areas:

(1) gender diversity in senior management and on the Board; and

(2) gender and ethnic diversity amongst employees.

7 Responsibilities

7.1 **Board responsibilities**

(1) The Board, or an appropriate committee of the Board, will establish measurable objectives for achieving diversity in the Company, initially in the key areas of focus set out in section 6 of this Policy.

(2) The Board, or the relevant committee of the Board, will assess the performance of the Company annually in achieving the objectives that have been established or the progress towards achieving the objectives.

(3) The Board will ensure that as part of its Board selection policy recruitment and selection practices at Board level are appropriately structured so that a diverse range of candidates are considered and that there are no conscious or unconscious biases that might discriminate against certain candidates.

7.2 **Responsibilities of management**

(1) The Board, or an appropriate committee of the Board, will advise management of the measurable objectives that have been set and will delegate to management the ongoing implementation of the diversity objectives.

(2) In implementing the diversity objectives, management will use its reasonable endeavours to ensure that all recruitment and selection practices of employees and consultants are appropriately structured so that, to the extent practicable given the circumstances of the role and the jurisdiction in which that role is to be filled, a diverse range of candidates are considered and that there are no biases that might discriminate against certain candidates.

(3) To the extent practicable and consistent with our various objectives including performance, management will use its reasonable endeavours to adopt flexible work practices that will assist employees to meet their domestic responsibilities.

(4) The Board, or an appropriate committee of the Board, will implement a reporting framework that will ensure that relevant members of management report to the Board on diversity, and in particular gender and diversity amongst employees and consultants so that the Board can monitor the Company's progress towards, and achievement of, the diversity objectives that have been set.

8 Reporting

8.1 In its annual report, the Company will report on:

(1) the objectives set by the Board, or the appropriate committee of the Board, and, if the objectives have been altered since the most recent annual report, an explanation of the change;

(2) the Company's achievement or progress towards achieving the objectives set by the Board (and, if the objectives have been altered, which set of objectives are being reported against); and

(3) either:

(a) the proportion of women employed (on a full time equivalent basis) by the Company and by any subsidiaries of the Company at all levels and at senior executive levels (including how the Company has defined "senior executive" for these purposes), and the proportion of women sitting on the Board; or

(b) if the Company is or becomes a "relevant employer" under the *Workplace Gender Equality Act*, the entity's most recent "Gender Equality Indicators" (as defined in and published under that Act).

9 Changes to this Policy

9.1 The Company reserves the right, at its absolute discretion, to change this Policy from time to time as it considers necessary.

9.2 Any changes to the Policy will be posted on the Company's internal website.

10 Contacts

10.1 If you have any queries about this policy, please contact the CEO.

Adopted on 23 April 2019