

HAZER'S ROLE IN THE FUTURE OF STEELMAKING

PERTH, AUSTRALIA; Thursday, 8 October 2026: Hazer Group Ltd ("Hazer" or "the Company") (ASX: HZR) attaches a letter from Hazer's CEO and Managing Director, Glenn Corrie, outlining the Company's strategic perspective on the future of steelmaking.

Dear Shareholders,

I am writing to you personally about an aspect of Hazer's strategy that has become increasingly important over the past year....the strong strategic fit between the Hazer Process and the decarbonisation of the global steel industry.

Why Steel Matters?

The scale and importance of the global steel industry is obvious. Global steel production reached 1.85 billion tonnes in 2025, making it one of the world's largest industrial sectors. It is a critical industry that underpins economic growth and industrialisation in the modern and developing worlds. China alone accounted for roughly 52% of global production and is home to six of the world's top ten steel producers.ⁱ

The less obvious fact is that steelmaking accounts for between 7-9% of the world's CO₂ emissions today, some 4.1 billion tonnes annually. To put this in perspective, this is roughly ten times Australia's total annual GHG emissions.ⁱⁱ I'll come back to steel making shortly...



1.85 billion
tonnes
Global steel production in 2025



7-9%
Steelmaking's share of
global CO₂ emissions



~85%*
Potential emissions reduction
from hydrogen-based direct
reduction

Hazer's Strategic Fit

When Hazer was formed in 2005, the ambition was bold and arguably ahead of its time - an Australian technology capable of producing low-emissions hydrogen, at scale and at a competitive cost with the potential to disrupt some of the world's most carbon intensive industries.

As the technology has matured and we worked more closely with customers and partners worldwide, it became increasingly clear that steelmaking could be one of the most compelling applications for Hazer. Why?

The answer lies at the core of our competitive advantage, an iron-ore catalyst that enables methane pyrolysis to run at lower temperatures than competing pathways. **The key point: iron-ore is the same fundamental feedstock that sits at the heart of the steel industry.**

This synergy creates a unique and potentially powerful strategic alignment between the Hazer Process and the production of low-emissions steel.

Nearly 20 years on, Hazer has developed a world-leading methane pyrolysis technology that converts natural gas (whose methane is >25 times more harmful than CO₂) into two valuable products - clean hydrogen and high-purity graphite. Two products that also have an increasingly important role to play in the decarbonisation of the steel industry.

The Future of Steelmaking

To understand why the opportunity for Hazer is so compelling, it is helpful to briefly look at how steel is manufactured today and how the industry is transitioning.

For over 70 years, steel has been made mainly via the blast furnace–basic oxygen furnace (“BF-BOF”) route. In simple terms, coal becomes coke and is used to remove (or “reduce”) the oxide from iron ore to produce molten iron that is subsequently converted into steel in the BOF (see figure 1). It is proven and effective, but it is highly CO₂ intensive because carbon is fundamental to the chemistry of the process. About 70% of steel is still made like this today.ⁱⁱⁱ

The alternative pathway gaining ground is direct reduced iron (“DRI”) followed by an electric arc furnace (“EAF”). Instead of coal, DRI uses gas as the reducing agent to remove the oxygen from the iron ore, traditionally natural gas and now increasingly hydrogen. The resulting solid iron is then melted in an electric arc furnace and combined with carbon to produce carbon steel. The result is broadly the same product, but significantly lower CO₂ emissions.

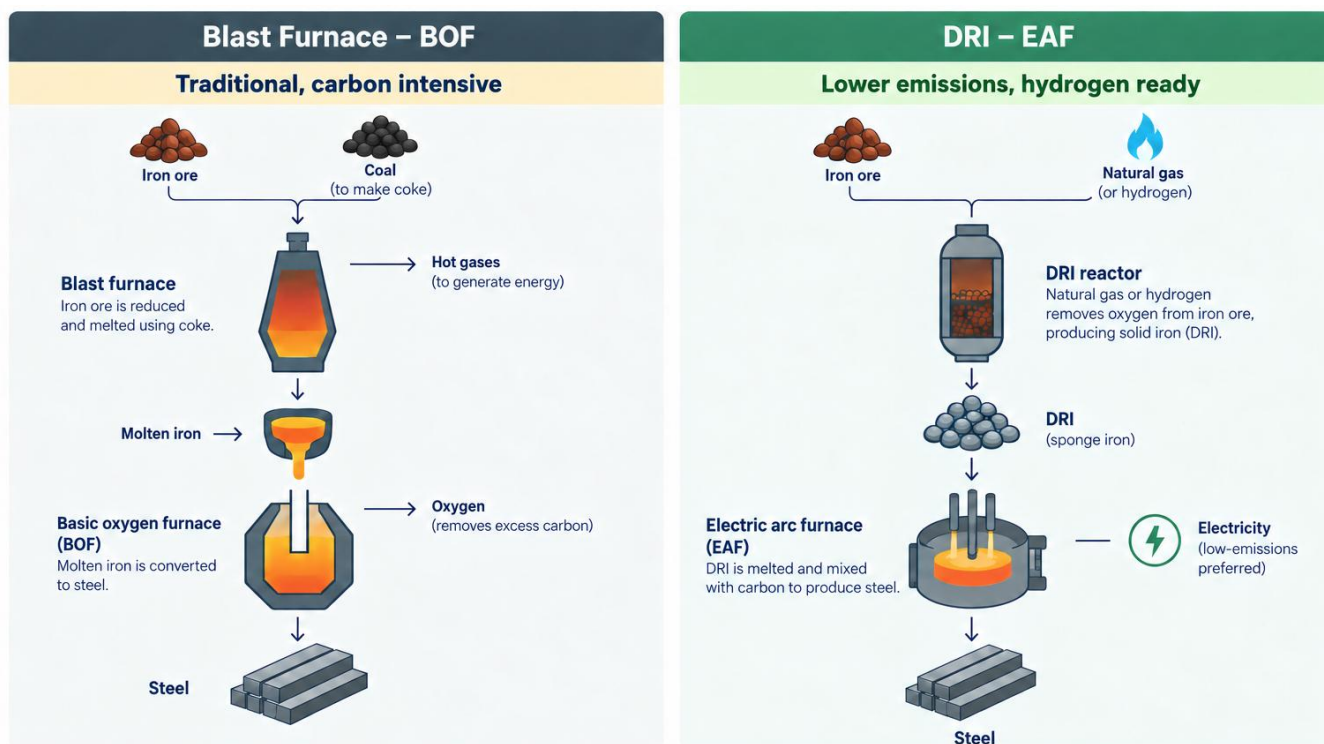


Figure 1: Comparison between the BF-BOF and the DRI-EAF steel making pathways

This distinction matters. **In hydrogen-based DRI, hydrogen not only provides the energy, it replaces carbon as the chemical reducing agent.** Where the hydrogen is low-emissions and the EAF runs on low-emissions electricity, the potential reduction in emissions is substantial. This is where Hazer has a particularly strong strategic fit.

Our two product streams, hydrogen and high-purity graphite, enable Hazer technology to sit alongside a DRI facility, supplying low-emissions hydrogen for reducing iron-ore and graphite for use in the EAF to produce carbon steel, with the added synergy of using an iron-ore catalyst.

For an industry that is one of the world's largest sources of industrial emissions, the opportunity is significant. For Hazer, it is more than simply another potential hydrogen market, it is a potential application where the chemistry of our technology, our iron-ore catalyst and our two products align closely with the future requirements of clean steelmaking.

Whyalla: Hazer's Powerful Technology in Action

Recent developments at the Whyalla steelworks, including the permanent closure of its ageing blast furnace and the resulting extension of the sale process, have understandably raised questions about M Resources' bid and Hazer's potential involvement.

M Resources remains one of two final bidders, with a decision now expected as early as the end of 2026.

Hazer continues to support M Resources under our agreement to incorporate the Hazer Process into its proposed redevelopment of Whyalla as a modern, lower-emissions steelmaking operation^{iv}.

Recent developments have brought the long-term requirements of the steelworks into sharper focus.

Energy expert Tony Wood made a similar assessment in the Australian Financial Review on 28 September, arguing that the blast furnace closure reflected technical and financial realities and shifted the focus towards Whyalla's future. He also highlighted the strategic importance of developing a domestic low-emissions iron and steel industry.^v

The permanent closure of the approximately 60-year-old blast furnace confirms that Whyalla's future will require new capital, new equipment and modern steelmaking technology. South Australian Premier Peter Malinauskas has reiterated that the long-term vision remains centred on "new equipment and new technology" capable of supporting steelmaking at Whyalla for decades to come.^{vi}

The Australian and South Australian governments have committed **\$2.4 billion to make Whyalla a clean steel production hub**. This involves replacing the coal-based blast furnace with EAF and DRI technology initially using natural gas and then targeting 100% hydrogen - this shift is projected to cut steelmaking emissions by up to 95%.^{vii}

While the closure has had a significant impact on Whyalla's workforce and community, it has created and opportunity to accelerate the green transformation at the steelworks. Rather than committing substantial capital to an ageing coal-based furnace the new owner can build a modern, commercially sustainable, steelmaking operation from the start, potentially accelerating the deployment of hydrogen-based steelmaking and Hazer technology at Whyalla.

Whyalla remains an important potential project for Hazer, and we will continue supporting M Resources as the sale process progresses. We will update shareholders when there are material developments that can be disclosed.

A Growing Market for Hazer – Beyond Whyalla

Whyalla reflects a broader transformation taking place across the global steel industry. Steelmakers worldwide are now assessing how to replace or decarbonise this infrastructure while maintaining the scale, reliability and cost competitiveness required by heavy industry.^{viii}

The industry's transition towards direct reduction, electric steelmaking and increased hydrogen use is creating a substantial new market for technologies capable of delivering reliable and competitively priced low-emissions hydrogen.

The Australian Government estimates that natural-gas-based direct reduction could cut iron and steelmaking emissions by approximately 60%, while **hydrogen-based direct reduction could achieve reductions of approximately 85%.**^{ix}

However, the cost and availability of clean hydrogen remain significant constraints.

Wood also identified reducing the cost of the steel production chain as a central challenge⁴. This reinforces the importance of the commercially competitive hydrogen supply that Hazer is seeking to deliver.

The Hazer Process is a gamechanger here. It produces affordable, low-emissions hydrogen from natural gas (or biogas) using established infrastructure, while capturing the carbon contained in the feedstock as solid graphite rather than releasing it as carbon dioxide. This offers a potentially cost-competitive pathway for introducing hydrogen into large industrial operations without relying entirely on the renewable electricity and electrolyzers that conventional renewable hydrogen requires (see Figure 2).

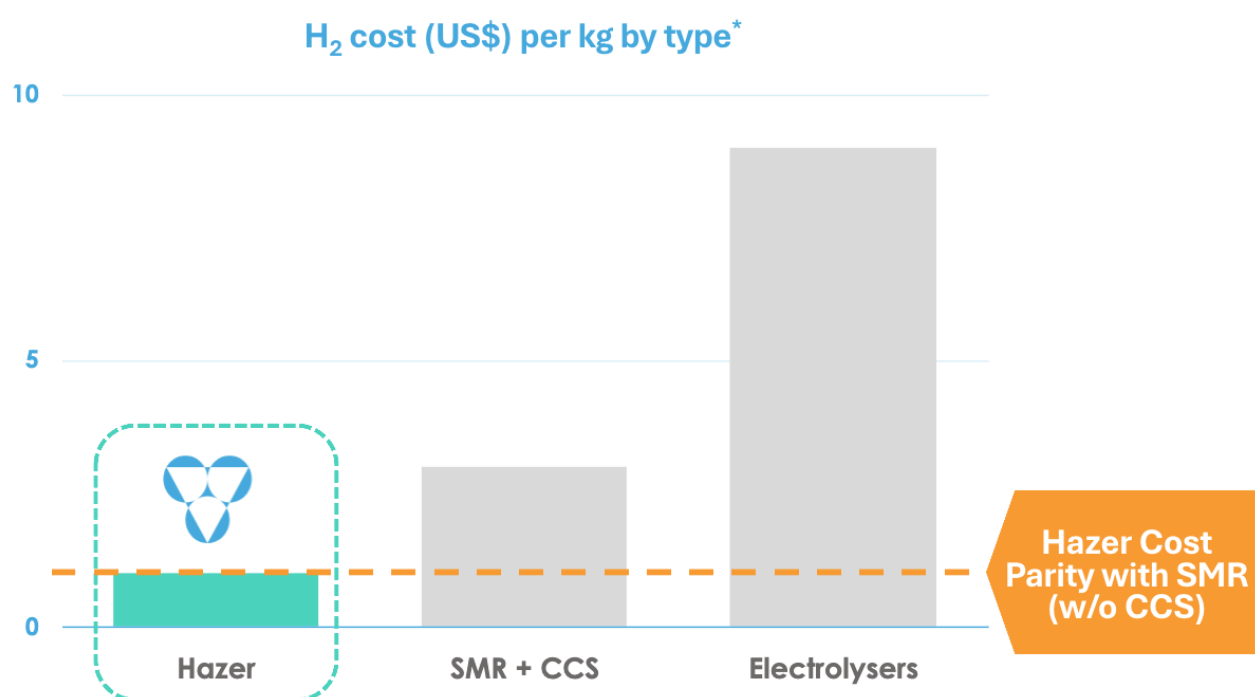


Figure 2: Cost competitiveness of Hazer compared to other hydrogen pathways^x

Hazer's engagement with M Resources is one example. Our ongoing collaboration with POSCO, one of the world's largest steel producers, is separately examining the integration of Hazer technology into lower-carbon steelmaking. There are many others in the workings.

We are also progressing discussions on other steel-sector opportunities within our commercial pipeline. While these opportunities remain at different stages of development, they demonstrate that Hazer's exposure to steel decarbonisation extends beyond Whyalla and any single commercial partner. Together they show that steelmakers are taking hydrogen-based direct reduction seriously and that Hazer's technology is part of the conversation.

Looking ahead – Removing the “Green Premium”

The steelmaking industry is an important part of Hazer's commercialisation strategy. Whyalla represents a significant opportunity in Australia and is a potential reference point for Hazer technology with steelmakers globally. **We are live on at least 5 new global opportunities involving steel making.**



Figure 3: Hazer’s globally diversified pipeline of clean steel projects and high potential opportunities

Our dual-product model, hydrogen and graphite from a single process, has the potential to significantly improve the economics of lower-emissions steelmaking, removing the “green premium”.

We now have the technology, partners and pipeline. Our focus is execution, converting these opportunities into commercial projects and establishing Hazer as a leading provider of low-emissions hydrogen technology to the global steel industry.

We look forward to keeping you updated on this important strategic sector.

Regards,

Glenn Corrie

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

[ENDS]

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 - ^{iv} <https://mresources.com.au/wp-content/uploads/2025/12/Dec-25-Press-Release-MRT-Hazer-Group-MOU-V1.pdf>
 - ^v <https://www.afr.com/companies/energy/whyalla-s-blast-furnace-is-dead-but-green-steel-moonshot-worth-it-20260928-p60z7m>
 - ^{vi} <https://www.theaustralian.com.au/business/mining-energy/whyalla-steelworks-faces-500-job-losses-as-blast-furnace-faces-closure/news-story/076c9641e6fb231a38900a79064e3e23>
 - ^{vii} SA-20-Year-State-Infrastructure-Strategy-2025-Web.pdf (1.1.2 South Australia Green Iron)
 - ^{viii} <https://www.iea.org/reports/breakthrough-agenda-report-2025/steel>
 - ^{ix} <https://minister.dcceew.gov.au/bowen/transcripts/press-conference-illawarra-nsw>
 - ^x Hazer LCOH Analysis Assumptions and notes: H₂ cost (US\$) per kg by type (No assurance that actual outcomes will not differ materially from these amounts.) Sources: Company analysis and projections for a US-located Hazer-enabled plant of ~50ktpa hydrogen production capacity, modelling a range of notional outcomes: Feedstock gas – Long-term US Henry Hub gas price ~US\$2.0/mmbtu, ~US\$500/tonne graphitic carbon revenue, offset against operating expenses – pricing referenced with independent reports procured by the company International Market Analysis Research and Consulting (IMARC) specifically tailored “Commodities Market and Pricing Report on Micro Silica (Silica Fume), Green Concrete/Cement, Geopolymer, Asphalt and Bitumen (2021 to 2035)” Location-specific electricity pricing sourced from third-party market references. ~US\$130/tonne company estimate for iron ore catalyst supply. Other variables based on business judgement and company analyses.
- No Government funding, tax incentives or debt funding upside benefit included. Other hydrogen types pricing: <https://www.iea.org/reports/global-hydrogen-review-2025>

About Hazer Group Ltd

Hazer Group is an Australian technology company, driving global decarbonisation efforts with the commercialisation of the company’s disruptive world-leading climate-tech. Hazer Group’s proprietary advanced technology called Hazer Process, enables the production of two product streams — clean and economically competitive hydrogen and high-quality graphite (“Hazer Graphite”) — using a natural gas (or biogas) feedstock and iron-ore as the process catalyst.

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