



# Annual General Meeting November 2016

*A Gas Exploration And Development Company*



# Disclaimer



This presentation has been prepared by NuEnergy Gas Limited (“NGY” or the “Company”) and is being provided for the sole purpose of providing preliminary background financial, operational and other information to enable shareholders and/or prospective investors to review the business activities of the Company. It is not intended as an offer, invitation, solicitation or recommendation with respect to the purchase or sale of any securities.

Certain statements included in this release constitute forward looking information. This information is based upon a number of estimates and assumptions made on a reasonable basis by the Company in light of its experience, current conditions and expectations of future developments, as well as other factors that the Company believes are appropriate in the circumstances. While these estimates and assumptions are considered reasonable, they are inherently subject to business, economic, competitive, political and social uncertainties and contingencies.

Many factors could cause the Company’s actual results to differ materially from those expressed or implied in any forward-looking information provided by the Company, or on behalf of, the Company. Such factors include, among other things, risks relating to additional funding requirements, gas prices, exploration, acquisition, development and operating risks, competition, production risks, regulatory restrictions, including environmental regulation and liability and potential title disputes. Forward looking information is no guarantee of future performance and, accordingly, investors are cautioned not to put undue reliance on forward looking information due to the inherent uncertainty therein. Forward looking information is made as at the date of this release and the Company disclaims any intent or obligation to update publicly such forward looking information, whether as a result of new information, future events or results or otherwise.

The purpose of this presentation is to provide general information about the Company. No representation or warranty, express or implied, is made by the Company that the material contained in this presentation will be achieved or prove to be correct. Except for statutory liability which cannot be excluded, each of the Company, its officers, employees and advisers expressly disclaims any responsibility for the accuracy or completeness of the material contained in this presentation and excludes all liability whatsoever (including in negligence) for any loss or damage which may be suffered by any person as a consequence of any information in this presentation or any error or omission therefrom.

This presentation should be read in conjunction with the Annual Financial Report as at 30 June 2016, the half year financial statements together with any ASX announcements made by the Company in accordance with its continuous disclosure obligations arising under the Corporations Act 2001 (Cth).

# Company Snapshot

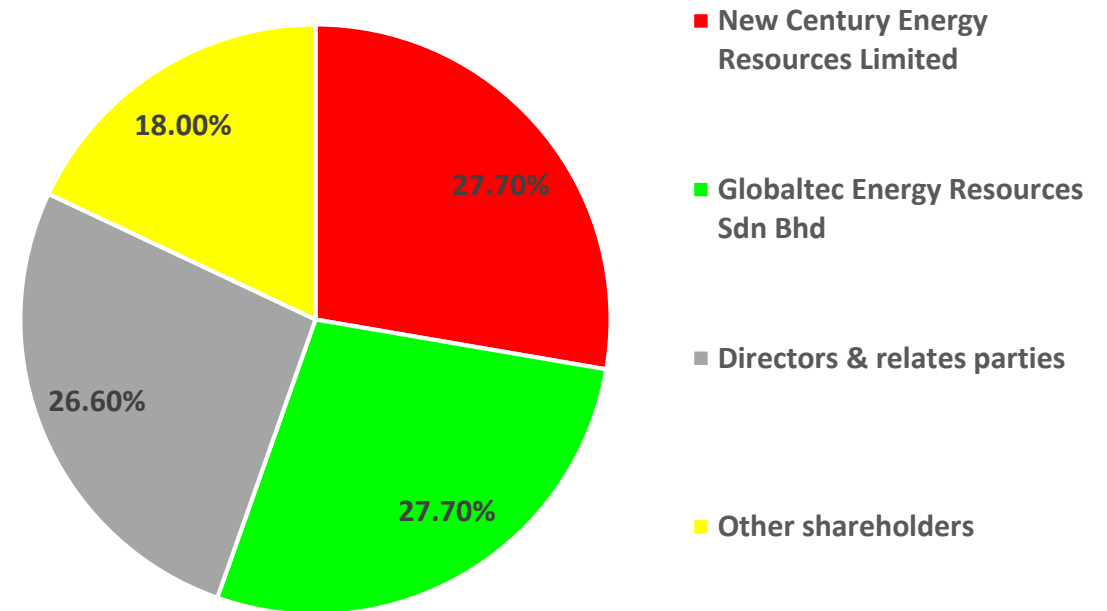


## Corporate Information as at 11 November 2016

ASX Listed	NGY
Share Price	A\$0.035
Issued shares	1,151m
Market Cap	A\$40m
52 weeks price range	A\$0.02 – A\$0.04

Top Shareholders – November 2016	Shares(m)	%
New Century Energy Resources Limited	319.1	27.7%
Globaltec Energy Resources Sdn Bhd	319.1	27.7%
Farjoy Pty Ltd	102.8	8.9%
Darulnas (M) Sdn Bhd	68.1	5.9%
Goh Tian Chuan	68.1	5.9%

## Share Register – November 2016



# NGY Production Sharing Contract (PSC) and Resource Estimates

PSC (Tenements)	Tanjung Enim	Muralim	Bontang Bengalon	Muara Enim	Muara Enim II	Rengat
Date of PSC signed	04-08-2009	03-12-2010	09-10-2012	30-11-2009	01-04-2011	30-11-2009
Date of PSC expiry	03-08-2039	02-12-2040	08-10-2042	29-11-2039	31-03-2041	29-11-2039
Participating interest	45%	50%	100%	40%	30%	100%
Co-ventures	27.5% - Pertamina 27.5% - Bukit Assam	50% - Medco	-	60% - Pertamina	40% - Pertamina 30% - Sugico	-
Acreage (after relinquishment)	250.2 km <sup>2</sup>	687.9 km <sup>2</sup>	328.6 km <sup>2</sup>	522.1 km <sup>2</sup>	819.6 km <sup>2</sup>	1,048.3 km <sup>2</sup>
<b><u>Resource Estimates</u></b>						
• Original Gas In Place (OGIP)	0.4 TCF <sup>(1)</sup>	1.4 TCF <sup>(1)</sup>	-	3,056 BCF <sup>(2)</sup>	4,715 BCF <sup>(2)</sup>	-
• Unrisked Net Best Estimates Prospective Resources	0.1 TCF <sup>(1)</sup>	0.7 TCF <sup>(1)</sup>	-	658 BCF <sup>(2)</sup>	766 BCF <sup>(2)</sup>	-

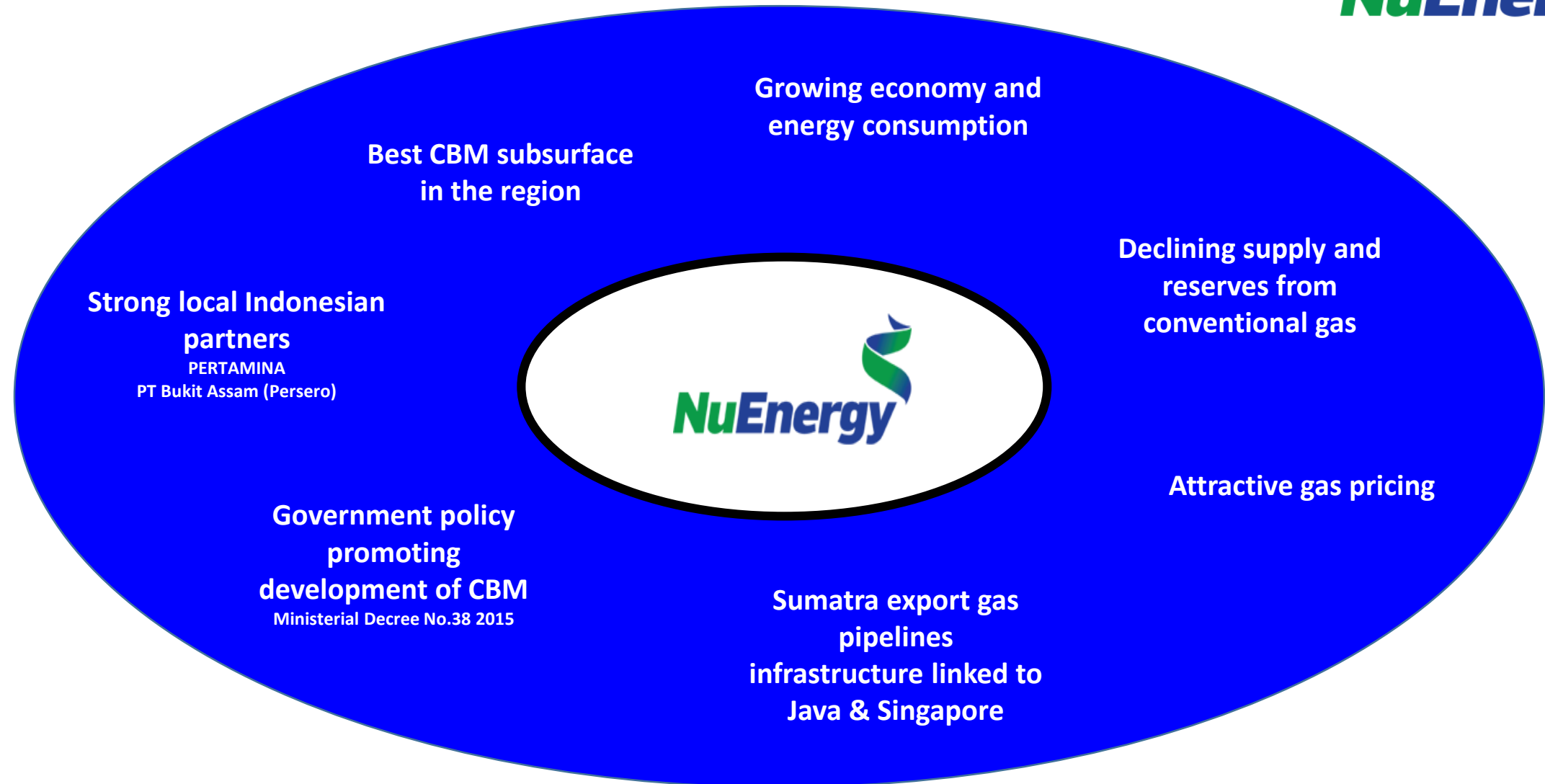
Notes to the Tanjung Enim PSC and Muralim PSC resource estimates:  
Please refer to ASX announcements dated 27 November 2015 for further information regarding these resource estimates.

<sup>(1)</sup> Netherland Sewell & Associates Inc, 30 November 2012.

Notes to the Muara Enim PSC and Muara Enim II PSC resource estimates:  
Please refer to ASX announcements dated 10 September 2012, 26 February 2013 and 28 February 2013 for further information regarding these resource estimates.

<sup>(2)</sup> Netherland Sewell & Associates Inc, 7 September 2012

# NGY Unique Positioning in Indonesia



# Best CBM subsurface in the region

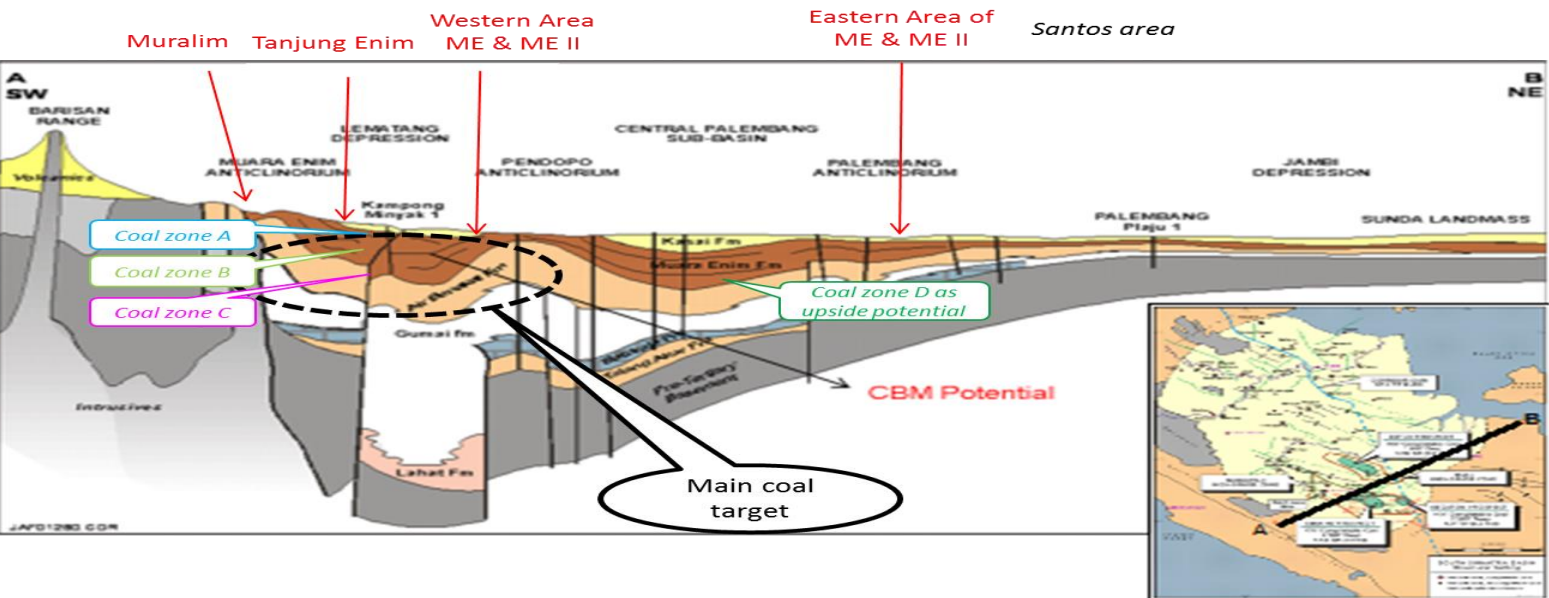
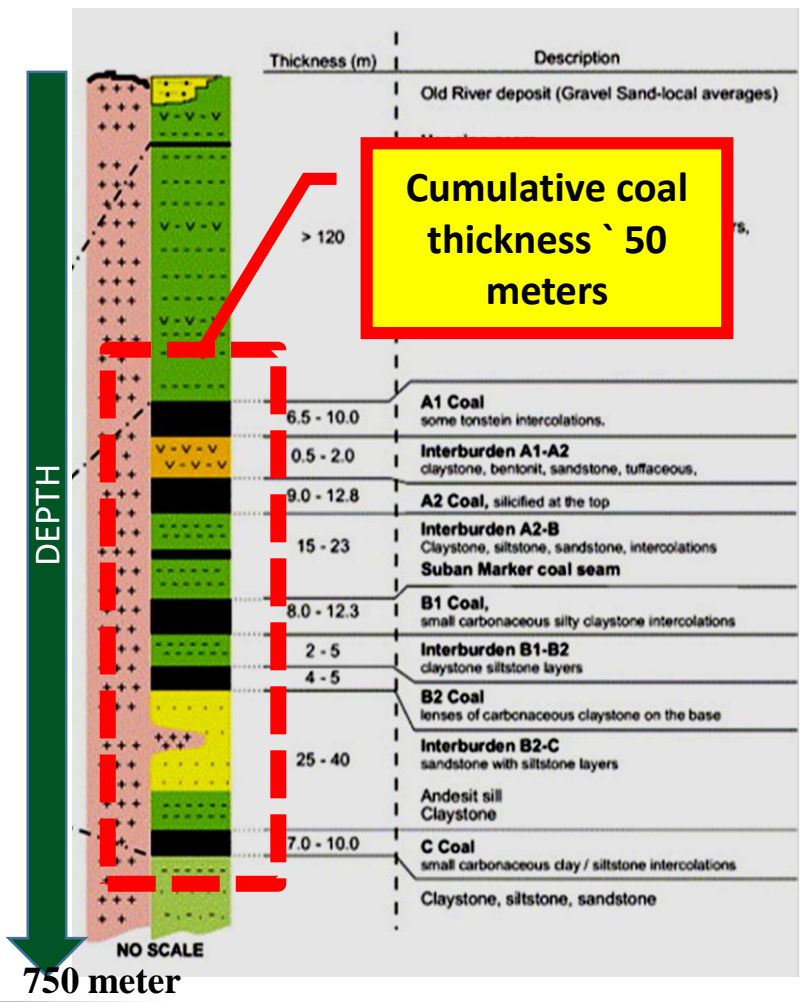


## Comparison of characteristics from selected commercial CBM projects

Basin	Field	Coal thickness (m)	Gas content (scf/t)
NuEnergy South Sumatra basin (Indonesia)	Tanjung Enim	40 - 49	80 - 110
Powder River (United States)	Recluse Rawhide Butte	12 - 27	30 - 70
Western Canada Sedimentary (Canada)	Horseshoe Canyon	10 - 33	55 - 110

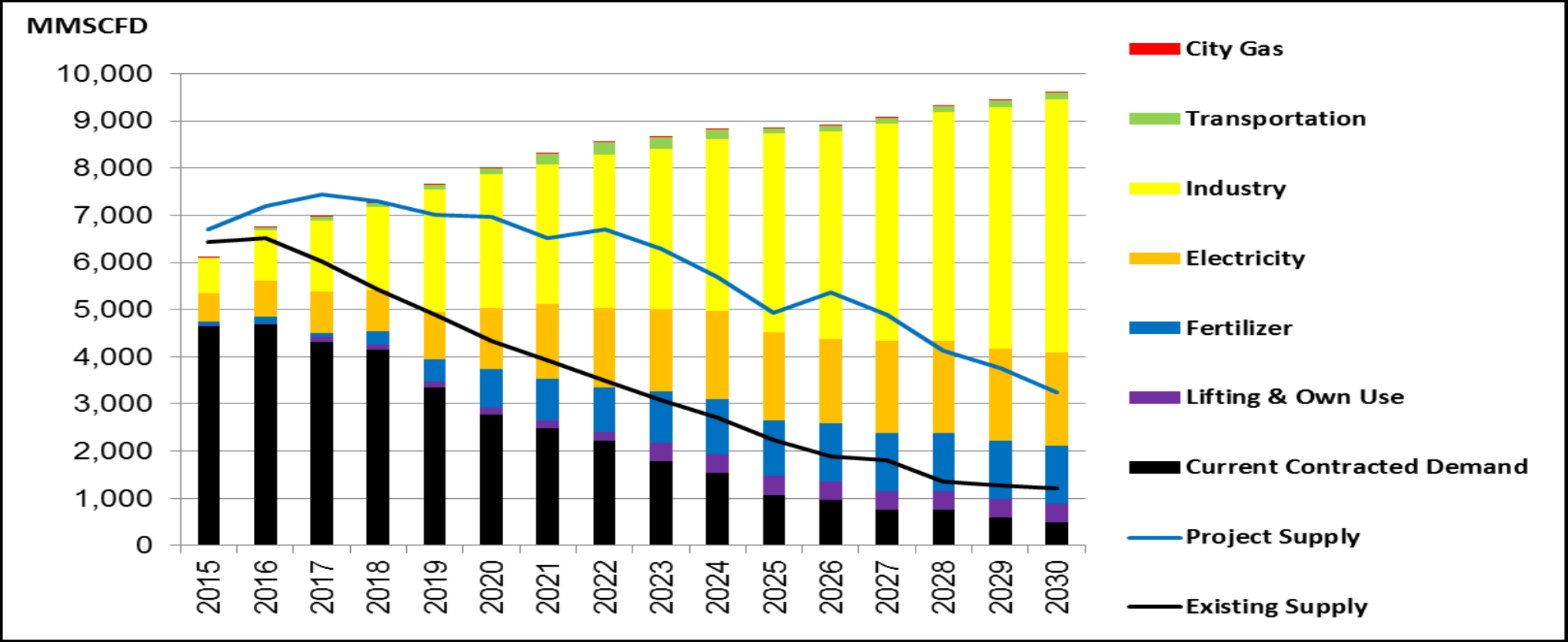
Source: Society of Petroleum Engineers (SPE 103514)

Typical coal log in Muara Enim formation



Muara Enim Formation as main coal target. Coal target depth of the NGY South Sumatra PSCs are shallower than 750 metres in line with G&G mapping

# Indonesia growing demand for energy consumption and declining energy supply

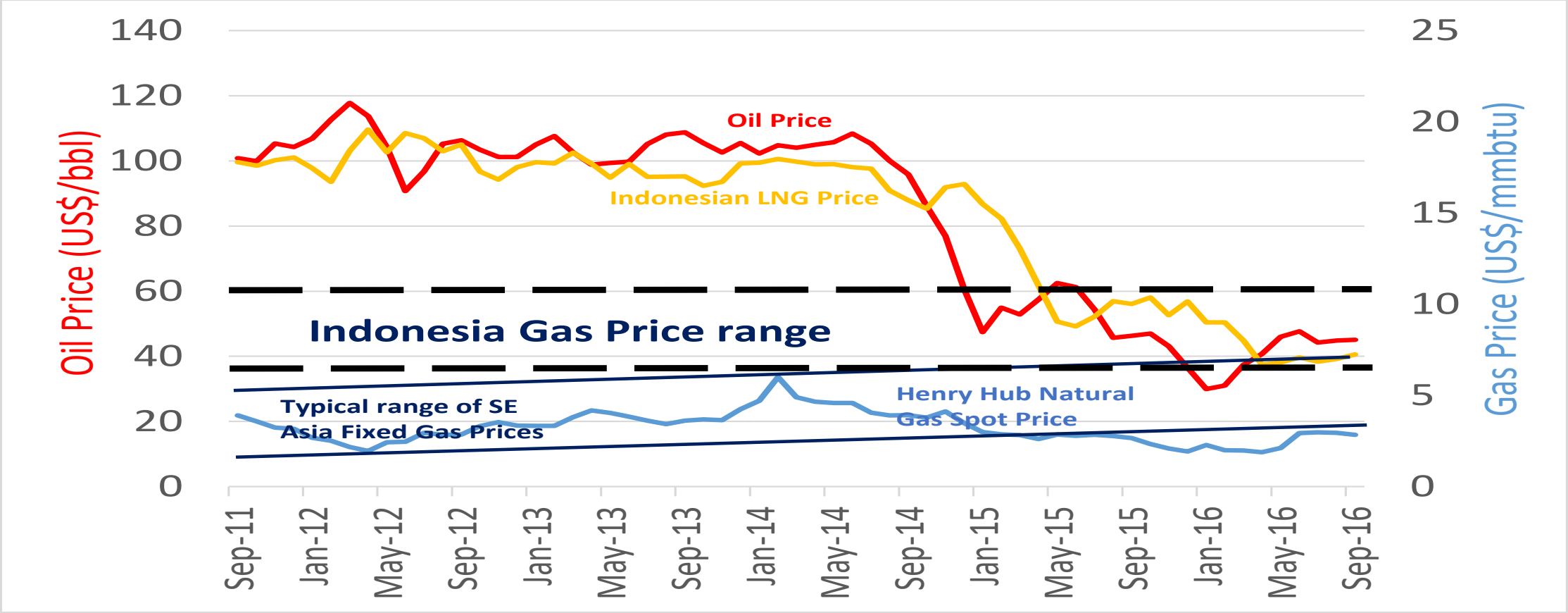


Supply shortage in Central and South Sumatera is projected at 296 MMSCFD in 2020 to 937 MMSCFD in 2030.

Conventional gas fields which are increasingly hard to find and their declining supply offers an opportunity for CBM .

Source: Kementerian Energi dan Sumber Daya Mineral – Direktorat Jenderal Minyak dan Gas Bumi – Indonesia - 2014

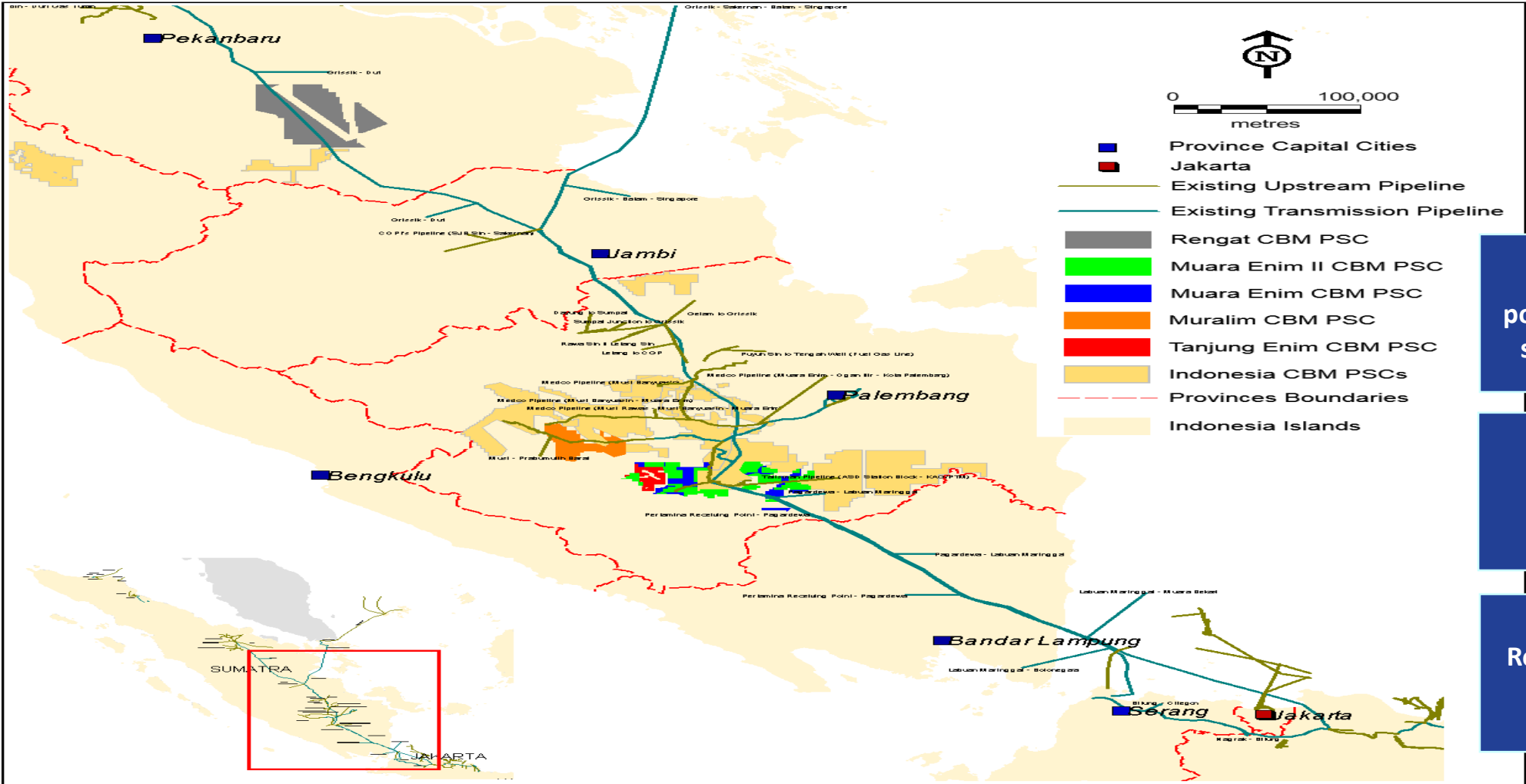
# Attractive Gas Pricing



Gas prices in Indonesia reach highs of between US\$9.5 mmbtu to US\$12 mmbtu compared to Vietnam (US\$7 mmbtu), Malaysia (US\$4 mmbtu) and Singapore (US\$ mmbtu) while the price in the United States is less than US\$3 mmbtu.



# Sumatra export gas pipelines infrastructure linked to Java and Singapore



NGY PSCs are strategically positioned in South Sumatra to serve the growing gas needs

Existing gas infrastructures support commercialization

Readily available gas networks and markets in Sumatra

# Government policy promoting development of CBM



- The Ministerial Decree No. 38, 2015 for the Non Conventional Oil and Gas was issued in October 2015 with the main objective to assist in the development of the Indonesia Non Conventional Oil and Gas which includes CBM, shale oil, shale gas, tight sand gas and methane hydrate.
- Under the Decree, the Non Conventional Oil and Gas contractors are allowed to choose from three different co-operation contracts as opposed to one mode of co-operation contract, the Production Sharing Contract that is currently in place that is considered to be too rigid.
- The newly proposed additional co-operation contracts are the **“Sliding Scale Production Sharing Contract”** and the **“Gross Split Sliding Scale Production Sharing Contract”**.
- The Decree, in specific terms, has also provided the option for the CBM contractor still with a valid co-operation contract to propose an amendment to the co-operation contract or to propose a change to the form of the co-operation contract.
- The government together with the Indonesia CBM industry players are now drafting the documents for the newly co-operation contracts to resolve and clarify related issues especially on tax and accounting issues, ownership of CBM assets and the treatment of past expenditures that will speed up the implementation of the Ministerial Decree No. 38, 2015.

Highlights of the newly  
co-operation contracts  
option

Improve share  
(revenue/profit) split for  
contractors

Removal of rigid  
regulations currently  
applied under  
conventional oil and gas

Opportunity for cost  
reduction from various  
flexibilities arising from  
the new co-operation  
contracts option

# July 2015 – November 2016 Company Highlights



## COMMERCIAL

- Completed acquisition of Dart Energy (Indonesia) Holdings Pte Ltd in November 2015 with the addition of Tanjung Enim PSC and Muralim PSC in South Sumatra and Bontang Bengalon PSC in East Kalimantan to NGY portfolio of PSCs (tenements).

## FINANCIAL

- Completed capital raising of \$10 mil in December 2015 through a partially underwritten non-renounceable rights issue.

## OPERATIONS

- Tanjung Enim PSC – Drilled 3 core wells and secured PSC Exploration Period extension.
- Tanjung Enim PSC – Completed workover operations on 2 wells previously drilled by Darts. CBM production commenced 72 hours after the start of dewatering operations with gas production results exceeding expectations.
- Tanjung Enim PSC – Drilled 5 pilot wells for upgrading resource and proving reserves. On-going dewatering and production testing underway to optimize flow rates.
- Rengat PSC – Drilled 4 exploratory wells and secured PSC Exploration Period extension.
- Reduced well drilling costs > 50% compared to previous campaigns.
- Improvement in pre-drilling and drilling days > 50% compared to previous campaigns.

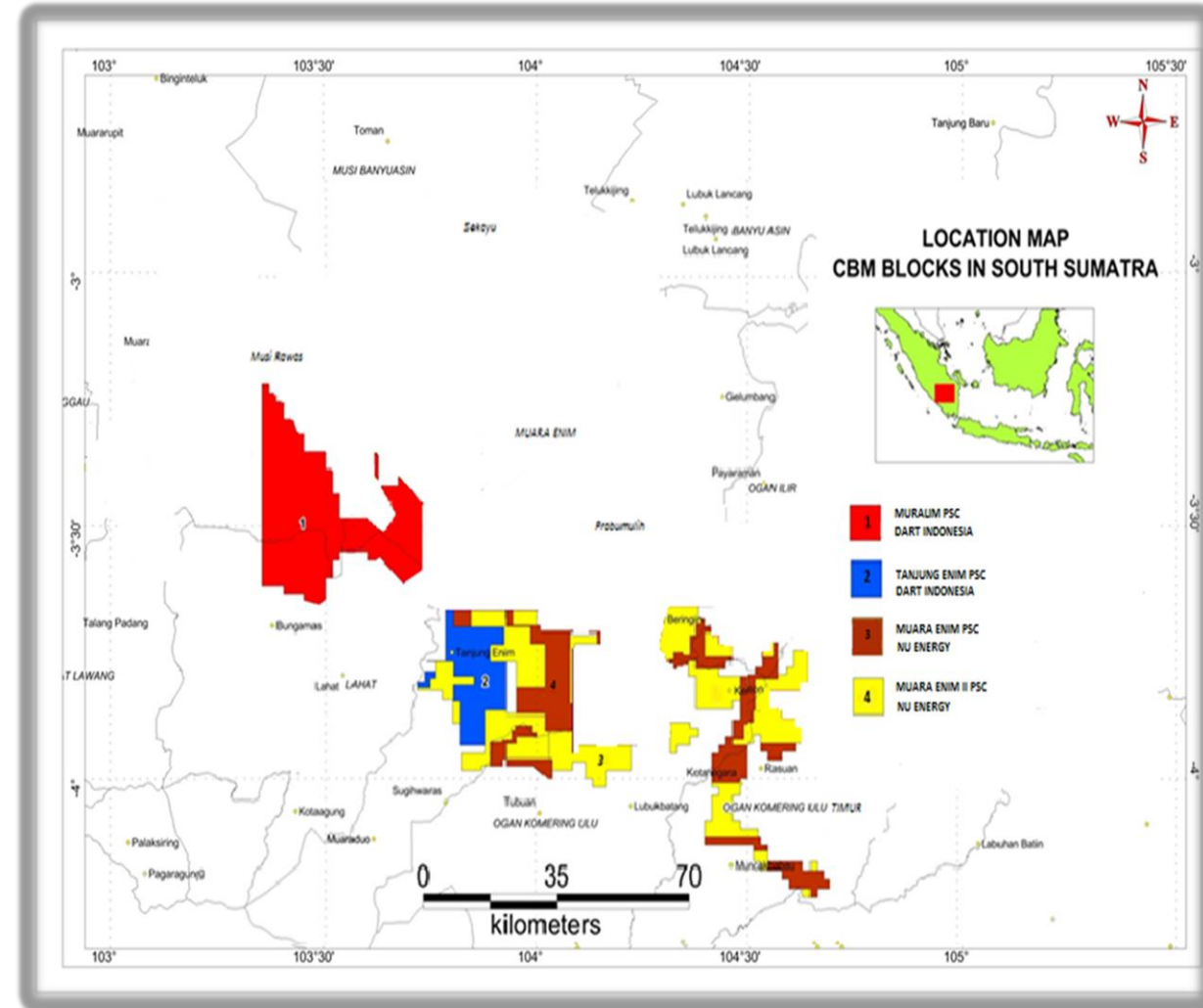
# Acquisition of Dart Energy (Indonesia) Holdings Pte Ltd (“DEIH”)



- Completed acquisition in November 2015 by acquiring 100% interest in DEIH for US\$1.0 million.
- DEIH group has the following PSC:-
  - Tanjung Enim PSC, South Sumatra, 45% participating interest
  - Muralim PSC, South Sumatra, 50% participating interest
  - Bontang Bengalon PSC, East Kalimantan, 100% participating interest

## STRATEGIC ACQUISITION

- ✓ Fast track POD and commercialization for NGY. (Tanjung Enim PSC is at the advanced stage of exploration compared to the rest of NGY PSC)
- ✓ Developed and integrate NGY South Sumatra PSC to provide the potential scale of operations and synergies for a large scale CBM supply.





# Tanjung Enim PSC Operations

## 3 Core Wells

- 3 core wells (TE-007C, TE-008C & TE-009C) have been successfully drilled to the target depth.
- Coals have been logged and a cumulative 49 metres of net coal seams have been identified with over 13 metres from a single seam.
- Certified gas saturation analysis revealed gas content ranging between 80 and 110 scf/ton from all the coal seams.
- Results shows geological parameter similarities with other proven successful commercialised CBM basins.
- Secured PSC Exploration Period extension to August 2019.

## Comparison of characteristics from selected commercial CBM projects

Basin	Field	Coal thickness (m)	Gas content (scf/t)
NuEnergy South Sumatra basin (Indonesia)	Tanjung Enim	40 - 49	80 - 110
Powder River (United States)	Recluse Rawhide Butte	12 - 27	30 - 70
Western Canada Sedimentary (Canada)	Horseshoe Canyon	10 - 33	55 - 110



## Workover Operations

- TE-01 & TE-02 work over operations completed.
- Gas produced following 72 hours of production test in both TE-01 & TE-01.
- Results highlight huge gas potential and reinforces NGY focus towards early appraisal for resource certification.

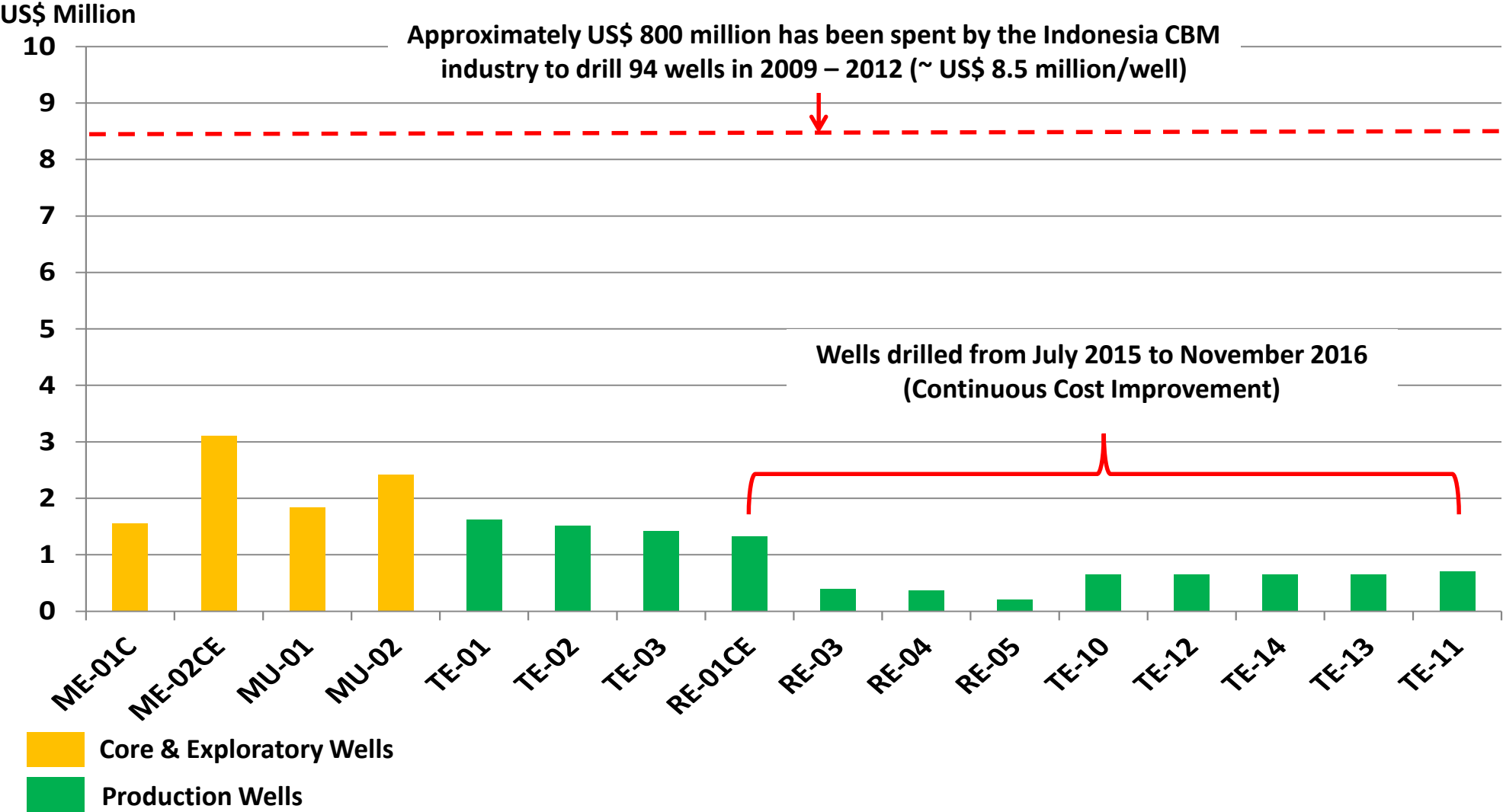
## Pilot Production Program (PPP) for upgrading resource and proving reserve

- 5 pilot wells drilled.
- Results from drilling shows similarities of geological parameters from the 3 core wells drilled.
- On-going dewatering and production testing underway to optimize flow rates.

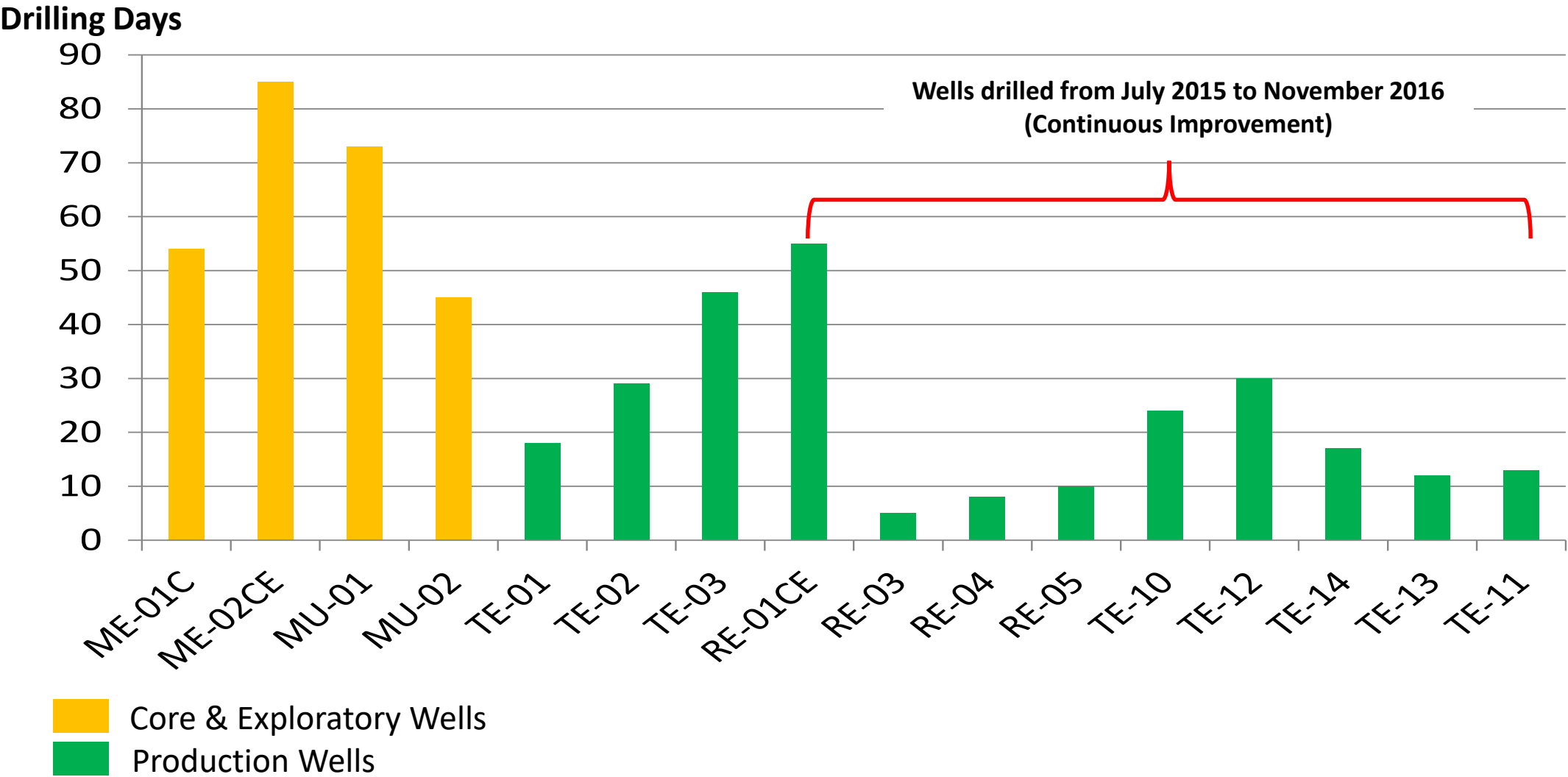
## PPP Surface Facility – Dewatering & Production Testing



# Reduced well drilling costs



# Improvement in pre-drilling and drilling days



# 2017 Priorities



**Securing the Plan of Development (“POD”) approval for Tanjung Enim PSC**

**2016**

**2017**

Complete reserves migration  
& certification

Pre POD process  
& completion

Negotiation and execution of  
gas sales and purchase  
agreement

POD finalisation and  
approval

Pre POD commercialisation



# Tanjung Enim PSC Pilot Production Program – Photos 1





# Tanjung Enim PSC Pilot Production Program – Photos 2





# Tanjung Enim PSC Pilot Production Program – Photos 3





# Thank You

Investor Relations  
+612 8540 8748 (local call within Australia)