

# ANNUAL GENERAL MEETING

15 November 2019



DELIVERING CLEAN ENERGY TO INDONESIA

[WWW.NUENERGYGAS.COM](http://WWW.NUENERGYGAS.COM)

ASX | NGY



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This presentation should be read in conjunction with the Annual Financial Report as at 30 June 2019, 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).



## Table of Contents

- About NuEnergy
- Indonesia's Energy Markets
- Our Portfolio
- July 2018 – November 2019 Company Highlights
- Major Milestones





## Corporate Overview

- NuEnergy Gas is an ASX Listed, Independent Clean Energy Company
- Paid-Up Capital: AUD25 Million
- Focused on Exploring & Producing Clean Energy in Indonesia
- 4 Active Production Sharing Contracts (PSC) Covering 2278 km<sup>2</sup>
  - Tanjung Enim/ Muara Enim/ Muara Enim 2 : PSC Cost Recovery
  - Muralim: PSC Gross Split effective 8 May 2019
- Proud Partner of the Indonesian Government and Energy Industry

**Committed to Delivering Maximum Shareholder Return**





## Experienced Board & Proven Leadership Team

			PREVIOUS EMPLOYERS	EXPERIENCE
	<b>Kee Yong Wah</b> Deputy Executive Chairman	<ul style="list-style-type: none"> <li>■ O&amp;G specialist with +30 years experience</li> <li>■ Founder of New Century Energy Resources</li> </ul>	  	33 years
	<b>Dr. Ian Wang</b> Chief Executive officer	<ul style="list-style-type: none"> <li>■ O&amp;G specialist with +30 years experience</li> <li>■ Substantial experience with unconventional assets and CBM projects</li> </ul>	  	30 Years
	<b>Unggul Setyatmoko</b> Chief Commercial Officer	<ul style="list-style-type: none"> <li>■ 30 years experience in Indonesia's O&amp;G industry</li> <li>■ Previously Indonesian Country Manager for Dart Energy</li> </ul>	  	30 Years
	<b>Lim Beng Hong</b> Chief Operating Officer	<ul style="list-style-type: none"> <li>■ 30 years experience in the exploration, production and drilling both in unconventional and conventional O&amp;G industry</li> </ul>	  	30 Years

**NuEnergy Gas has augmented an experienced board and proven leadership team with:**

- Vast experience of operating and commercializing unconventional gas and CBM projects
- Deep technical knowledge and understanding of hydrocarbon geology in Indonesia
- Long standing and trusted relationship across the Asian energy markets, especially within Indonesia

**Building a sustainable upstream company by investing in: People + Environment + Community Engagement + CSR + Health, Safety & Security + Corporate Governance**

**Sustainability is integral to our business and our every day actions. We operate in a socially responsible and conscious manner:**

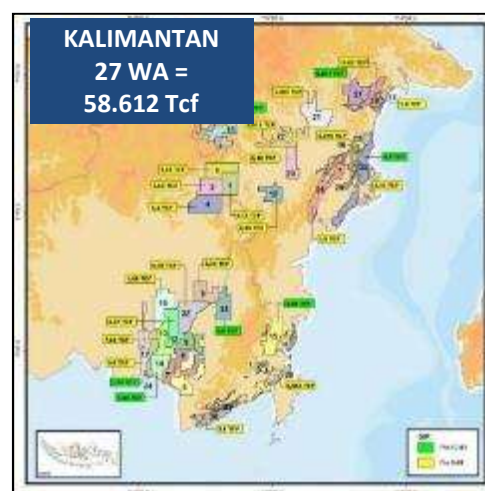
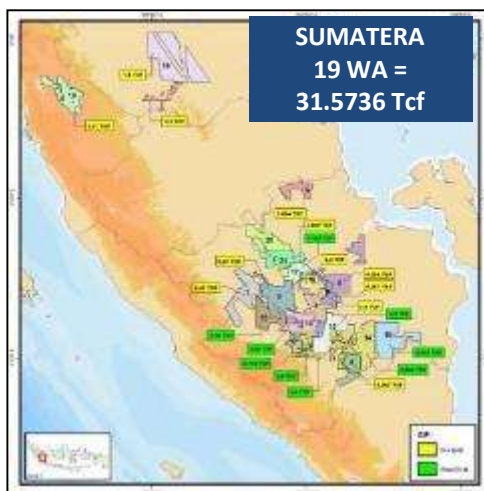
- We are incredibly proud of our people as they are at the heart of our company and all we do
- We are committed to minimising the footprint and operational impact our operations have on the environment and local communities
- We generate jobs, economic benefits and our investments have ensured we are trusted member of these communities
- We maintain rigorous standards for meeting all environment standards, rules and regulations
- Integrity and sound corporate governance also underpin everything we do







## Indonesia's Unconventional Gas Resources



- We focus on Coal Bed Methane (CBM), an unconventional gas which is more environmentally friendly than coal as it is a clean-burning fuel and produces approximately 15-50% less GHG emissions.
- 453 TCF: Resources estimate for all basins
- 90 TCF: Resource estimate for the currently explored working areas
- Low Drilling Costs: current drilling costs run at approx. USD0.65M per CBM well. These drilling costs compare favorably to onshore conventional drilling costs in Indonesia of USD10-30M per well. Shale exploration is not expected to start for several years.

Source: SKK Migas (Indonesian Oil & Gas Regulator), Nov 2016



# Exciting Asset Portfolio With Investment Upside

## Key Statistics

**Owner/Operator** : NuEnergy Gas Limited  
**Location** : Indonesia (South Sumatera)  
**Commodity** : Unconventional Gas  
 (Coal Bed Methane/CBM)

## Resources & Reserves

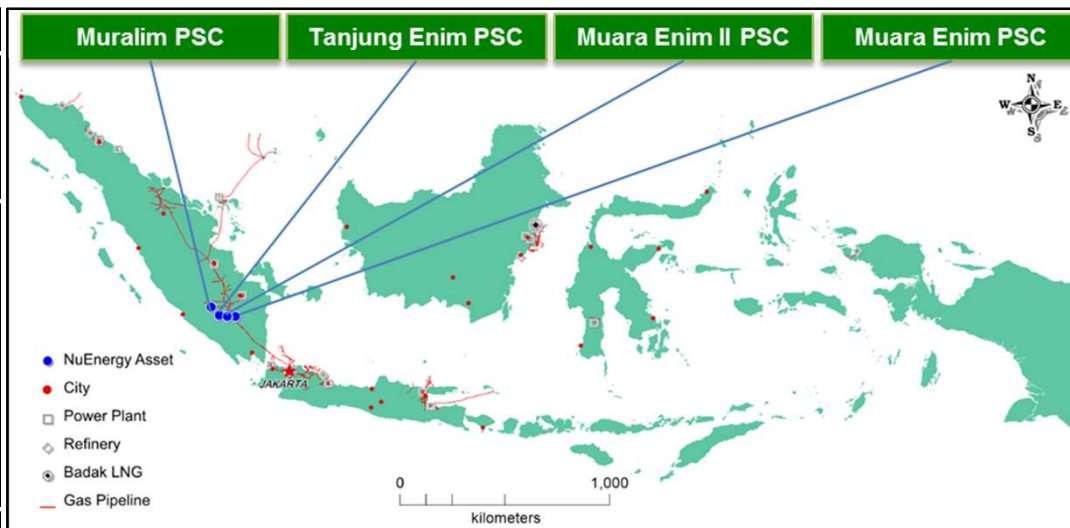
OGIP : 9.691 Bcf  
 Prospective : 2.194 Bcf (net to NuEnergy)  
 1C/2C/3C : 75.8 Bcf/ 109.8 Bcf/ 193.0 Bcf  
 (net to NuEnergy)  
 Gross Reserves : 165 Bcf (74 Bcf net to NuEnergy)  
 P1 Reserves of 86 Bcf  
 P2 Reserves of 79 Bcf

## Operations

- 26 wells drilled since August 2009
- Operator for all Indonesian Assets
- Strong corporate partners - Pertamina, Bukit Asam & Sugico
- 47 personals with lots of hands on overall CBM experience

## Development

- Awaiting POD approval for Tanjung Enim PSC
- Progression to commercialisation (revenue generation)
- Integrated development of South Sumatra CBM assets
- Proximity to Indonesian gas & market infrastructure



PSC	Ownership	Partners	Resources	Status	Operator
Tanjung Enim	45%	Pertamina (27.5%) Bukit Asam (27.5%)	<b>Gas In Place</b> : 484 Bcf <b>Reserves</b> : 74 Bcf <b>1C/2C/3C</b> : 75/109/154 Bcf <b>Prospective</b> : 88 Bcf	Production tests Progressing POD approval	NuEnergy
Muara Enim	40%	Pertamina (60%)	<b>Gas In Place</b> : 3056 Bcf <b>1C/2C/3C</b> : 0.84/0.84/39 Bcf <b>Prospective</b> : 658 Bcf	Exploration Production tests	NuEnergy
Muara Enim II	30%	Pertamina (40%) Sugico (30%)	<b>Gas In Place</b> : 4715 Bcf <b>Prospective</b> : 766 Bcf	Exploration Production tests	NuEnergy
Muralim	100%		<b>Gas In Place</b> : 1436 Bcf <b>Prospective</b> : 682 Bcf	Exploration	NuEnergy





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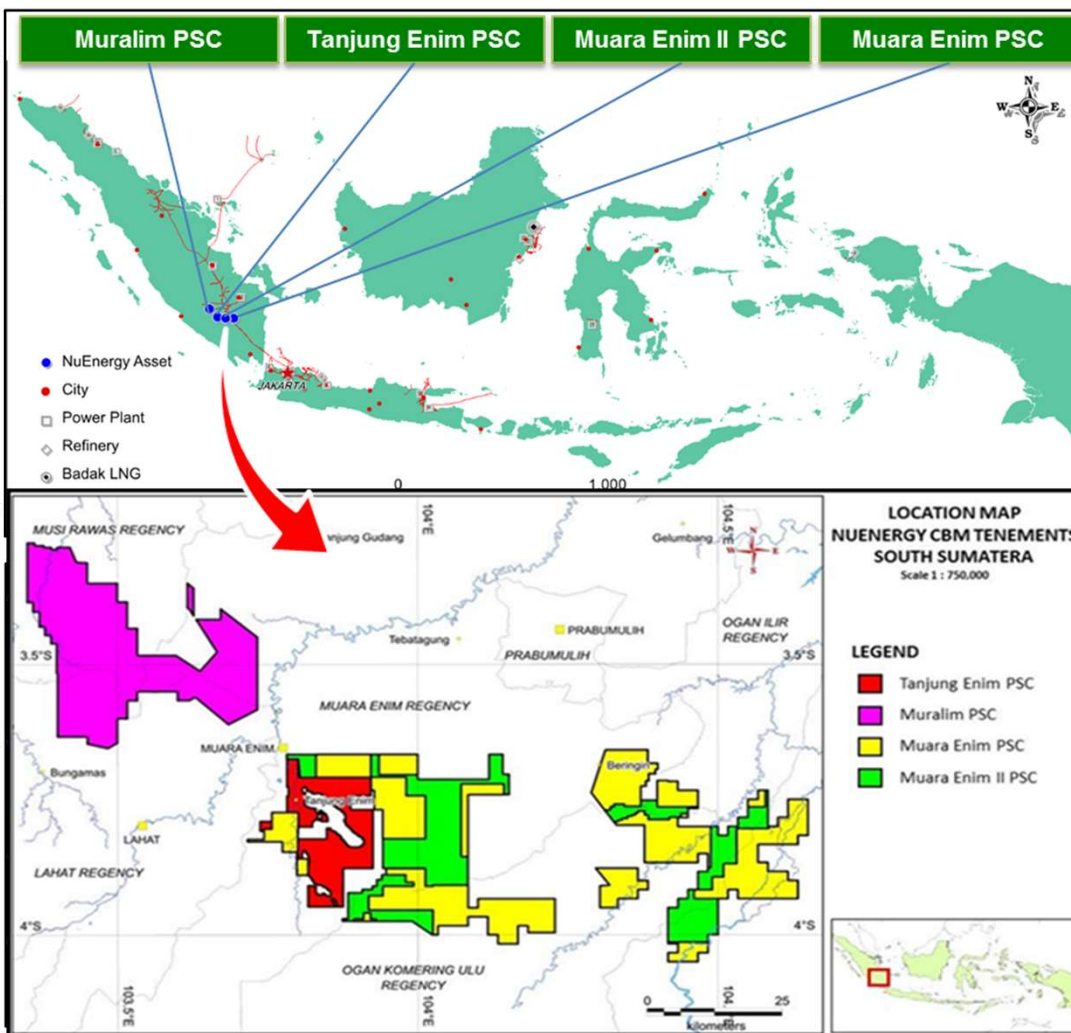
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## Committed, World Class, National Partners



**Indonesia's  
State-Owned  
Oil Company**

- We offer our shareholders a unique opportunity to access South East Asia and gain exposure to Indonesia's fast moving and dynamic energy market



**Indonesia's  
State-Owned  
Coal Company**

- We are proud to be recognised as a partner of choice for other leading Indonesian energy companies



**Indonesia's  
Emerging  
Energy & Coal  
Company**

- Each of our partners are highly capitalized
- We are committed with them to delivering clean energy to the people of Indonesia



## Focused Strategy on Value Creation Through CBM

We hold 4 onshore PSCs in South Sumatra

- Moving quickly from pre-development to production, monetizing their reserves, delivering shareholder return
- We target shallow deposits so each asset can be developed quickly and at low-cost
- Interests in 4 PSCs, located in the close proximity of Tanjung Enim. South Sumatra is widely known as the emerging play of Indonesia CBM, with its enormous potential of 183 tcf gas initially in place estimates
- Located in a very strategic location, with existing trunklines connecting the region to key markets; and
- The presence of major energy companies and buyers.

Ingredients for successful unconventional gas (CBM) production	NGY Acreage
Known, thick, abundant and laterally continuous coal beds	✓
Indications of favourable reservoir for accumulation and preservation of CBM	✓
Relatively shallow deposits ~ less than 1,000 m	✓
Evidence of fracturing and faulting in coal, correct geothermal gradient	✓
The presence of gas fields producing from coal-bearing rocks	✓



# Indonesia Oil & Gas Industry

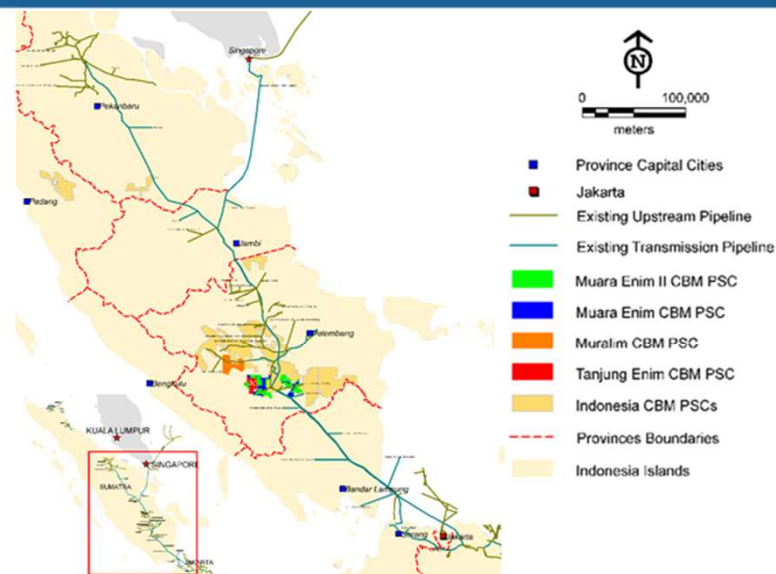
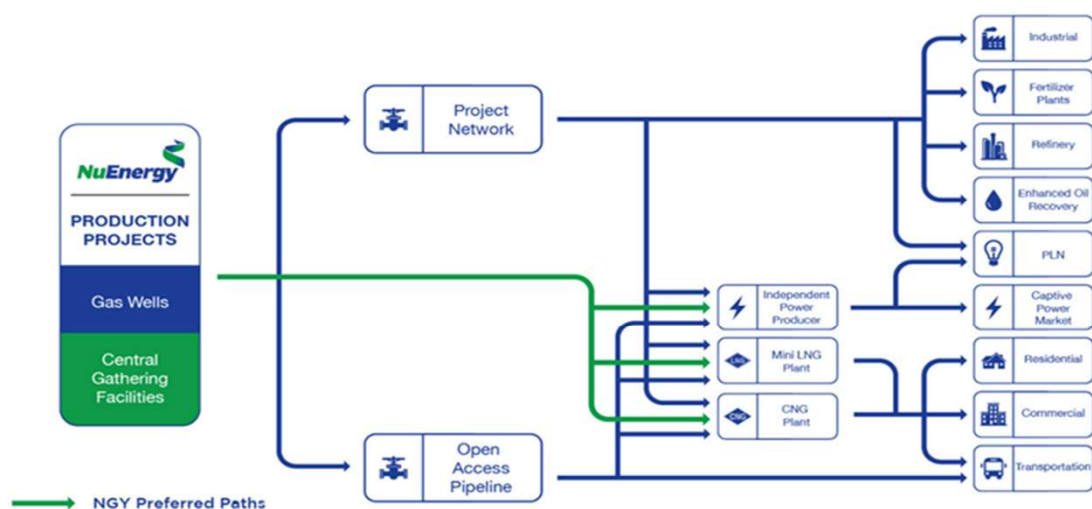
## Excellent Geographical Setting

- ✓ World's 4th largest population and growing rapidly
- ✓ Strong GDP growth and solid economic outlook (5% growth y-on-y)
- ✓ Increasing energy demand (5.9% in 2016) and robust gas prices
- ✓ Declining conventional oil and gas production from domestic supplies
- ✓ Government support to increase clean energy production
- ✓ Singapore trunkline within 10km

## Close Proximity to Key Infrastructure and End-users

- Tanjung Enim PSC is located in a prolific hydrocarbons basin, near major gas export pipelines, underutilized gas infrastructure and high-volume, under-supplied markets
- Several high-price marketing options in close proximity, including local compressed natural gas users, electricity companies and independent power producers

## Indonesian Gas Value Chain

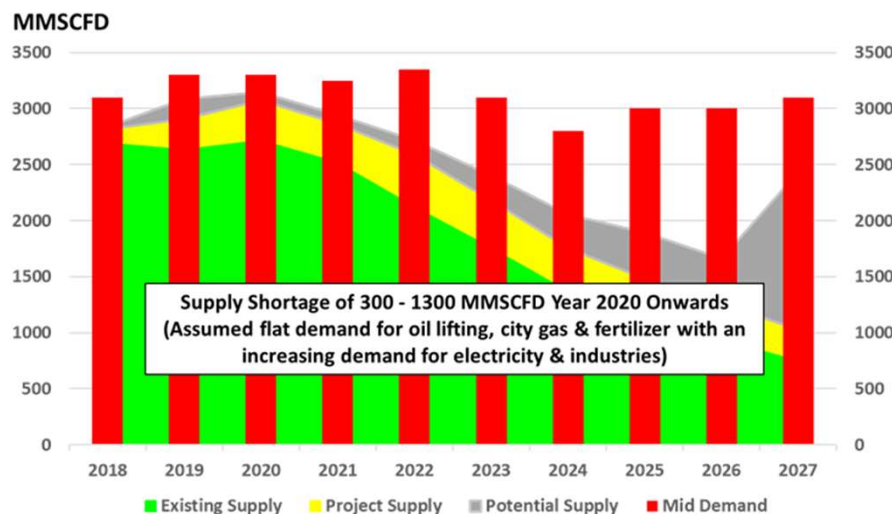


Indonesia is growing rapidly in terms of both its population and economy which has been fuelling strong growth in energy demand and supporting local gas prices



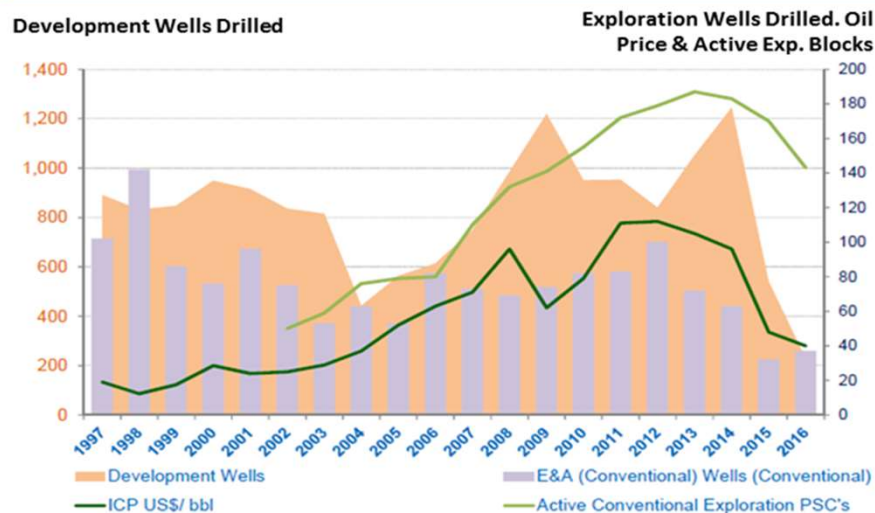
# Indonesia Oil & Gas Industry

## Forecasted Gas Supply & Demand<sup>1</sup>



Source: Ministry of Energy & Mineral Resources – 2018

## Development drilling at 30 year lows<sup>2</sup>



■ Natural gas production dropped for a sixth year in a row, by 7.3% (5.3bcm) in 2016 (19% lower than 2010)<sup>2</sup>

## Indonesian Government Support for Unconventional Developers

Improved share (revenue/profit) split for contractors

Removal of rigid regulations currently applied to conventional oil and gas

Opportunity for cost reduction from flexibilities arising from new contracts

Indonesian Government is seeking energy security with an agenda to continue to transition to a low carbon economy



## South Sumatra Assets Integrated Development Milestones

- 26 Wells drilled & existing cost recovery balance of US\$45m
- Well data from the 4 PSC demonstrate consistent reservoir properties
- Key Reservoir Parameters
  - Total coal thickness > 40 meters with over 10 meters from a single coal seam
  - Shallow target coal depth of 300 – 600 meters
  - c. 95% gas saturation
  - High permeability
- Appraisal program designed to migrate resources to reserves and support expansion of NuEnergy gas sales from South Sumatra
- The South Sumatra PSCs are located close the major gas export pipelines, under-utilised gas infrastructure and high market demand growth.
- Once in production the assets can be quickly monetised with several high-price marketing options in close
- By integrating the South Sumatra PSCs, NuEnergy has the potential to operate a large scale CBM development and supply
- **Appraisal program designed to progress the remaining PSCs (Muara Enim PSC, Muara Enim II PSC and Muralim PSC) to POD by 2020**

PSC	2019				2020				2021				2022				2023			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4

Tanjung Enim																				
Muara Enim																				
Muralim																				
Muara Enim II																				

	Appraisal & Reserves Migration, POD
	EPC, Production Facilities
	Gas Sales & Commercialisation





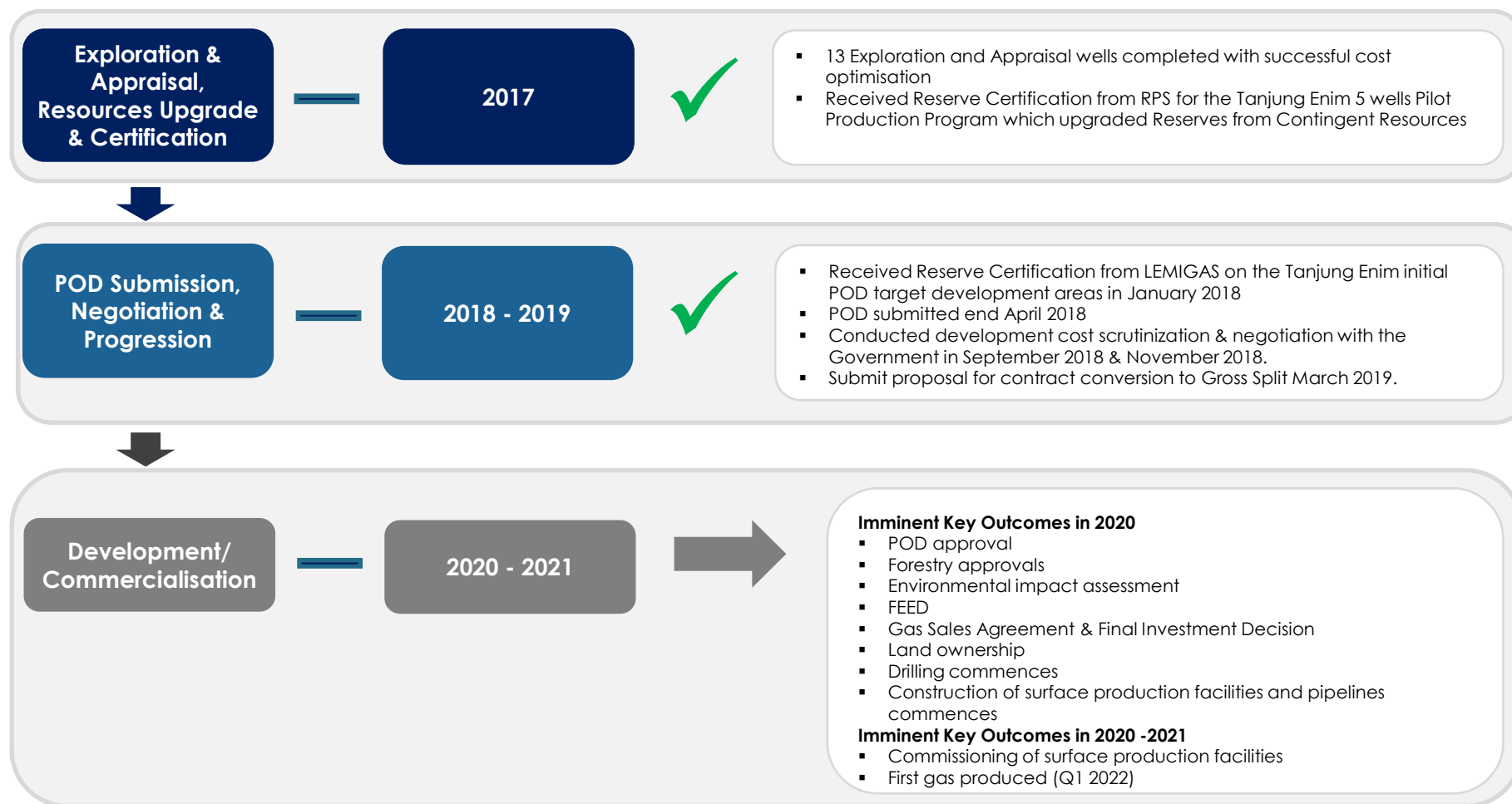
## November 2018 – November 2019 Company Highlights

### Significant Asset Derisking

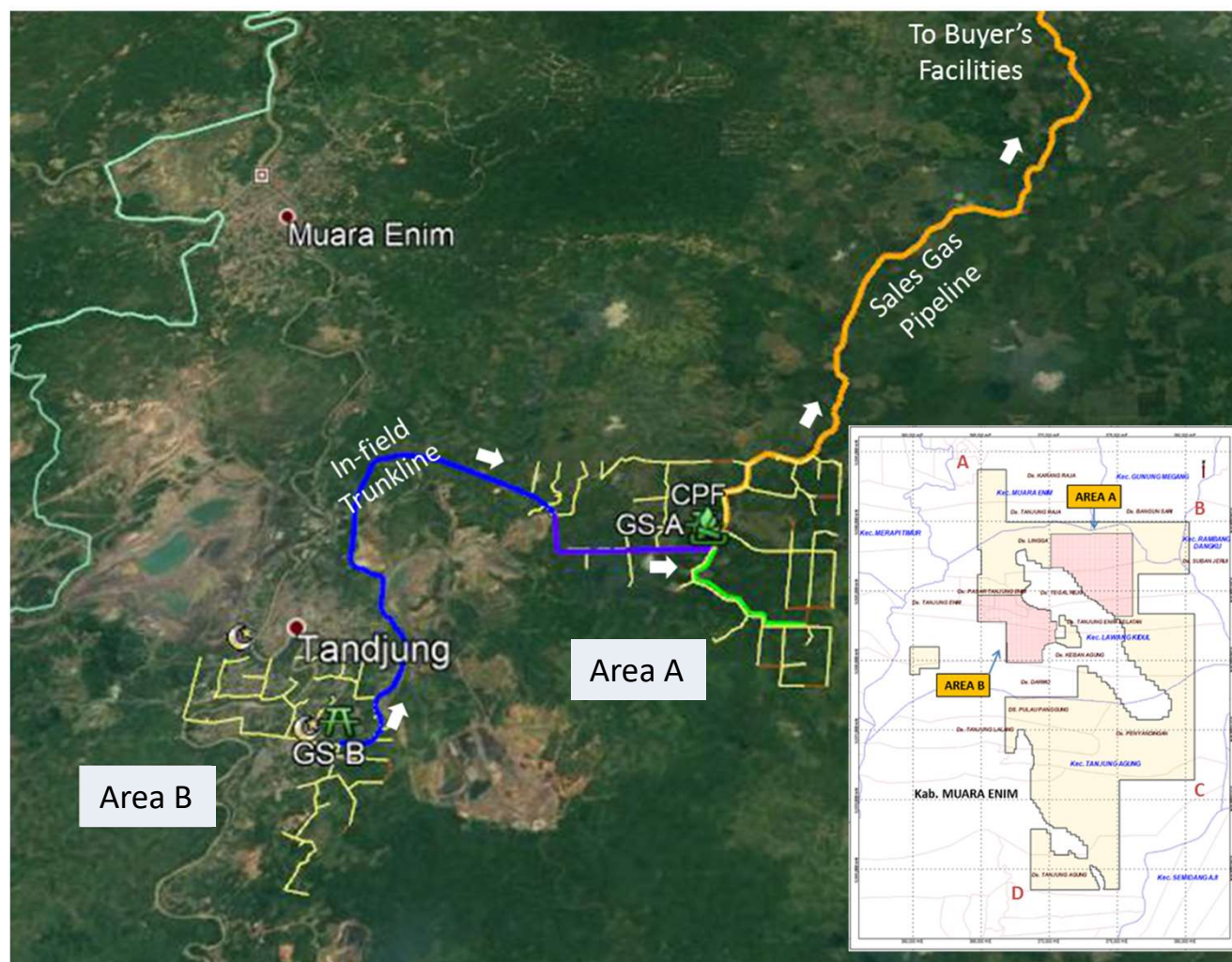
- ☐ Continued progressing Tanjung Enim POD approval and milestones
- ☐ Secured further extension of Muralim PSC along with the amended and restated contract from PSC Cost Recovery to PSC Gross Split
- ☐ Submitted proposal to transfer the remaining firm commitment of Bontang Bengalon PSC upon its termination to an open area for potential CBM PSC application and development (non commitment)
- ☐ Submitted proposal for additional exploration time for Muara Enim PSC to enable the submission of Plan of Development



## Tanjung Enim PSC Progressing Towards Commercialisation



# Tanjung Enim POD Development Scheme



## EXPLORATION

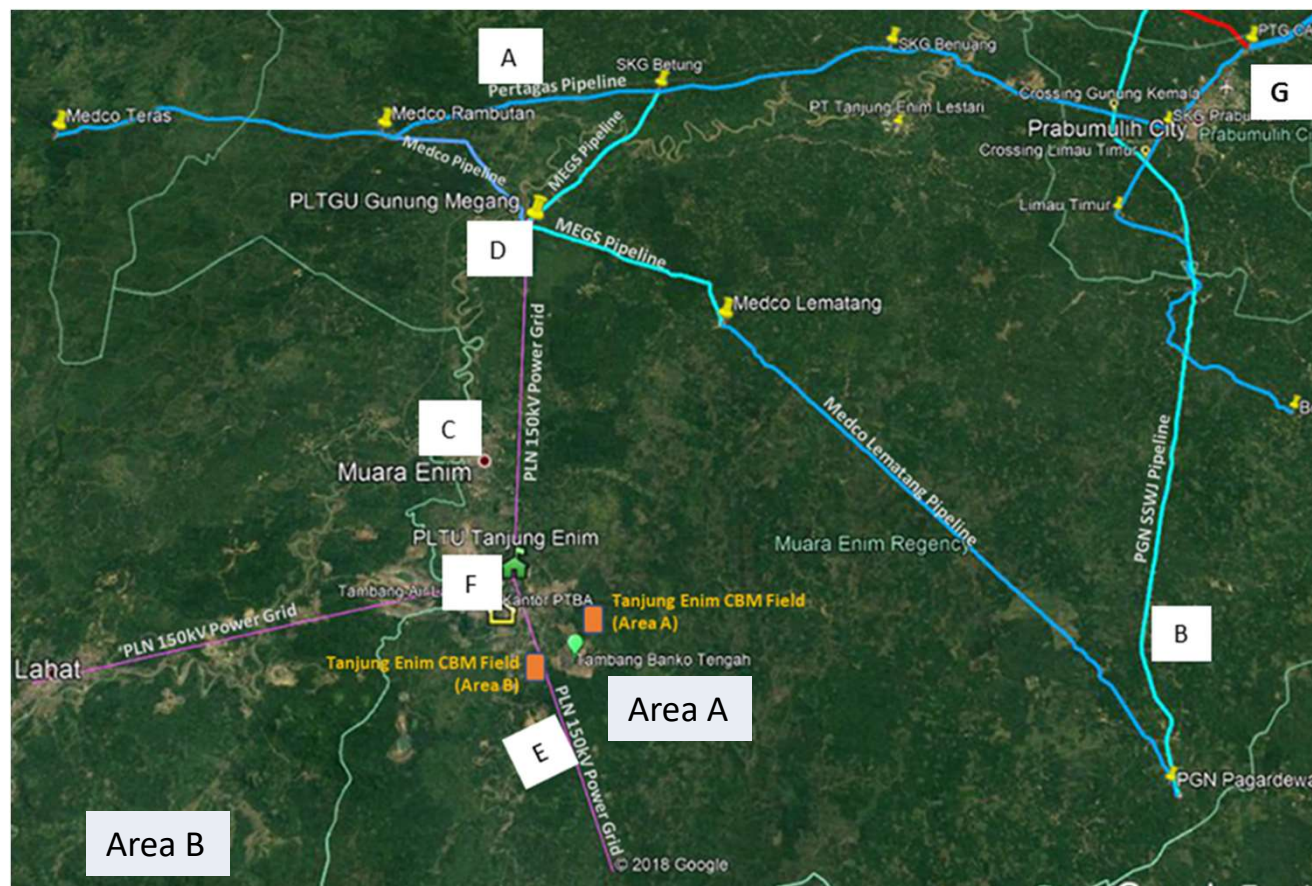
- 13 Exploration wells have been drilled to prove the development potential in Area A & B.

## DEVELOPMENT PLAN (AREA A & B)

- 33 Km<sup>2</sup> or 15% of Tanjung Enim PSC
- 164.89 Bcf of certified reserves
- 209 wells in 48 clusters
- Production & processing facilities:
  - Gathering Station A (GSA)
  - Gathering Station B (GSB)
  - Central Processing Facilities (CPF) in Area A
  - Gas & Water Flow Lines at each Gathering Station
  - Infield Gas & Water Trunk Line from each Gathering Station to CPF
  - 24 km Sales Gas Pipeline
- **25 MMSCFD projected gas production with 10 years plateau**



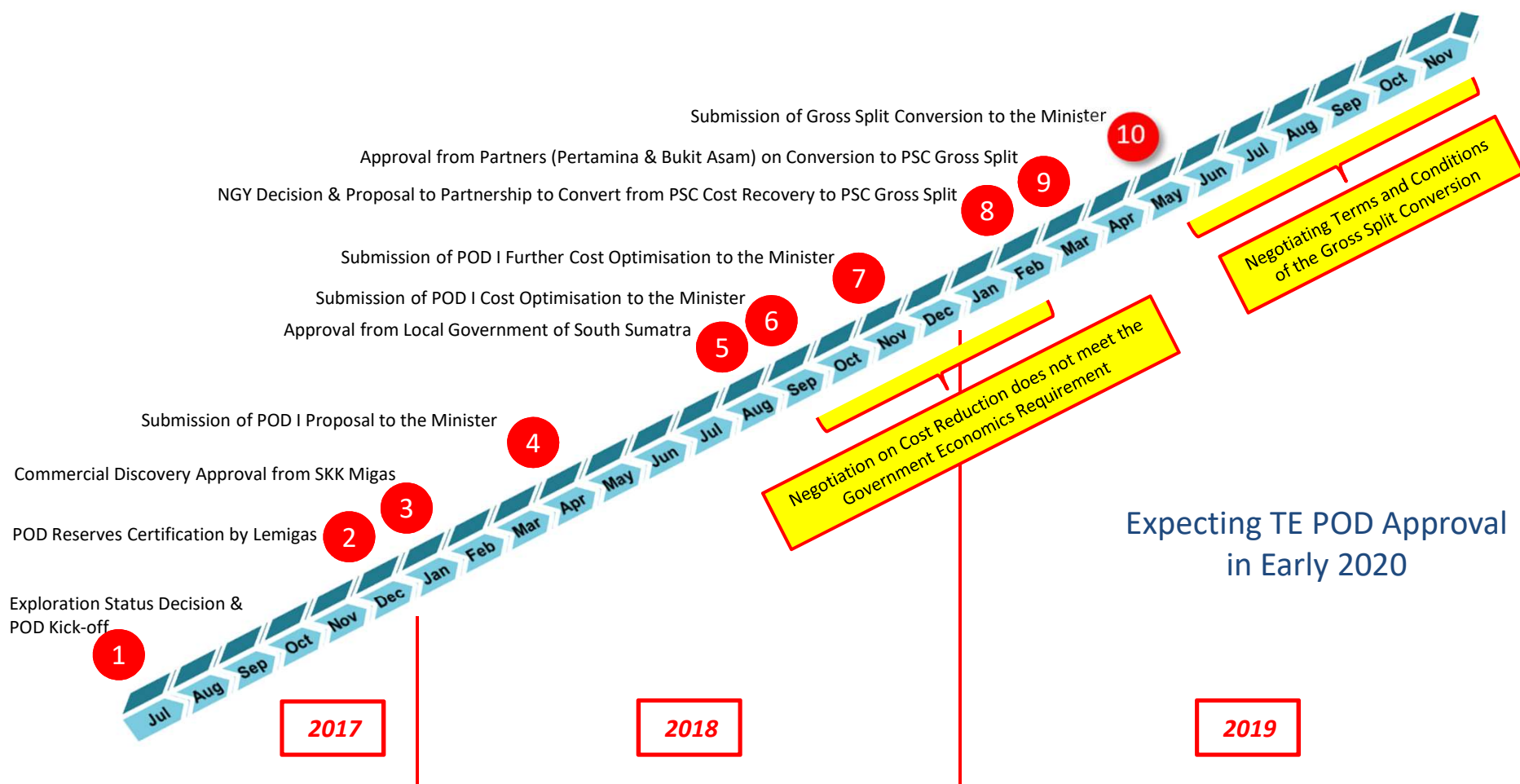
## Tanjung Enim POD Gas Infrastructure & Markets



- A. Pertamina Gas Transmission Pipeline
- B. PGN South Sumatra to Java Transmission Pipeline
- C. Muara Enim City Gas Network
- D. Gunung Megang CCGT
- E. Potential Independent Power Producers around PLN's 150kV power grid
- F. Potential Tanjung Enim City Gas Network
- G. Potential Markets in Palembang Area: CNG, Fertilizer Plant, Power Plants, and Industries.



# Tanjung Enim POD Negotiation & Approval Process







# Thank You

**Investor Relations**

**+61 2 8076 7600 (Australia)**

**+62 21 2986 6161 (Indonesia)**

**[ir@nuenergygas.com](mailto:ir@nuenergygas.com)**

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