

13 April 2017

RENOUNCEABLE PRO-RATA ENTITLEMENT OFFER TO RAISE \$20 MILLION FOR PLAN OF DEVELOPMENT PREPARATION AND EXPLORATION AND APPRAISAL ACTIVITIES

Key Highlights:

- **Renounceable Pro-Rata Entitlement Offer to raise \$20 million.**
- **Funding raised for Plan of Development preparation and exploration and appraisal activities**
- **Offer Document lodged with ASX today. Entitlement Offer opens from 13 April 2017 until 5 May 2017 for Eligible Shareholders**

The Board of NuEnergy Gas Limited (ASX: NGY) ("NGY" or "the Company") is pleased to announce a renounceable pro-rata Entitlement Offer of one (1) new share for every two (2) shares held on the Record Date of 20 April 2017 will be made to Eligible Shareholders of NGY at the issue price of \$0.035 (3.5 cents) per share, to raise \$20 million before transaction costs.

This Entitlement Offer includes a Shortfall Share Offer that enables Eligible Shareholders (other than Related Parties of the Company) who take up their full Entitlement to apply for shares in-excess of their pro-rata entitlement. The directors of NGY reserve the right to issue New Shares under the Shortfall Share Offer to eligible applicants at their discretion.

The Company has today released an Offer Document for the Entitlement Offer outlining the full details of the Entitlement Offer. The closing date for acceptance of entitlements is intended to be 5.00 pm Sydney time on 5 May 2017.

As previously announced, NGY achieved a significant milestone in February 2017 when it received the first independent certification of Reserves for its Tanjung Enim PSC Pilot Production Program ("TEPPP"), which supports the Company's belief in the future potential of its Tanjung Enim PSC asset. It is the first step to unlocking substantial value to move the asset towards commercialisation.

With the results of the TEP 2016 work program and Reserves Certification, NGY is ready for discussion with the Government of Indonesia on the Plan of Development ("POD"). Our main focus in the next twelve months is to prepare and secure the POD that will enable the Tanjung Enim PSC to proceed to full scale development and move NGY one step closer to commercialisation.

While the Company works to complete the POD submission, further exploration activities to upgrade resources and reserves will be carried out in 2017 in the other South Sumatra PSCs to prepare these PSCs for POD. With the large resource size of NGY's PSC portfolio in South Sumatra, the Company has the potential to develop its South Sumatra PSCs to provide the scale of operations and synergies for a large scale CBM gas supply.

This Entitlement Offer provides an opportunity for existing Eligible Shareholders to continue participating in the growth of the Company.

Sources and Uses of funds

Funds raised by the Entitlement Offer will be used as follows assuming the offer is fully subscribed:

Source of Funds	\$m
Cash on hand	0.5
Total funds raised from Entitlement Offer	20.0
Total funds budgeted to be available	20.5

Use of Funds	
POD preparation	2.0
Exploration, appraisal activities and incidental costs	14.1
Working capital	4.3
Estimated costs of the Entitlement Offer	0.1
Total budgeted use of funds	20.5

Indicative Entitlement Offer Timetable

The key dates are indicative only and the Company reserves the right to vary them subject to the requirements of the ASX Listing Rules.

Event	Date (2017)
Lodgement of Offer Document with ASX	13 April 2017
Letter of entitlements to Shareholders	18 April 2017
"Ex" date for securities trading	19 April 2017
Rights trading commences	19 April 2017
Record date	20 April 2017
Complete despatch of Offer Document with Entitlement and Acceptance Form and ASX announcement	26 April 2017
Rights trading ends	28 April 2017
Last day to extend the Offer closing date	2 May 2017
Close of Entitlement Offer (5pm)	5 May 2017
Notify ASX of under/over subscriptions	10 May 2017
Issue of New Shares	12 May 2017
Trading of New Share commences	15 May 2017
Last day of Shortfall Share Offer (on or before)	5 June 2017

Further Information

The Offer Document outlining the details of the Entitlement Offer will be mailed to each Eligible Shareholder on 26 April 2017. The Entitlement Offer is made in reliance on section 708AA of the Corporations Act 2001 (Cth) as modified by ASIC Class Order [CO 08/35]. The Offer Document was lodged with Australian Securities

Exchange (ASX) on 13 April 2017. Under the Entitlement Offer, only Eligible Shareholders with a registered address in Australia or New Zealand are eligible to participate

Each Eligible Shareholder's entitlement will be set out in a personalised Entitlement and Acceptance Form that will accompany the Offer Document. Eligible Shareholders are encouraged to read and consider the documentation sent to them carefully, and seek independent and professional financial advice. As the Entitlement Offer is renounceable, Eligible Shareholders will be able to sell or otherwise transfer their entitlements.

An Appendix 3B for the Entitlement Offer is attached.

The Board of NGY encourages all Eligible Shareholders to participate in the Entitlement Offer.

Sincerely,



Kong Kok Keong
Chairman

For further information please contact:

Shareholder Enquiries

NuEnergy Gas Limited

Tel: (61) 2 8540 8748

Email: info@nuenergygas.com

www.nuenergygas.com

U.S. Persons Disclaimer

The shares to be offered under the Entitlement Offer ("Shares") have not been, and will not be, registered under the United States Securities Act of 1933, as amended ("Securities Act") or the securities laws of any state or other jurisdiction of the United States. This ASX release does not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States, or to any person that is or is acting for the account or benefit of any U.S. person as defined in Regulation S under the Securities Act ("U.S. Person"). The Shares may not be taken up by a U.S. Person, and may not be offered, sold or resold in the United States or to, or for the account or benefit of, a U.S. Person, except in a transaction exempt from, or not subject to, the registration requirements of the Securities Act and applicable securities laws of any state or other jurisdiction in the United States.

**[NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES OR TO,
OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS]**

About NGY

NGY is an emerging ASX listed gas and ancillary power generation development company with an immediate focus on establishing unconventional gas production in Indonesia. NGY has a strategy to acquire, explore, appraise and develop Coal Bed Methane ("CBM") acreage in this region. It is listed on the Australian Securities Exchange (ASX: NGY) with offices in Sydney (Australia) and Jakarta (Indonesia).

The Company's overall strategy is to explore and establish commercial resources/reserves over its CBM projects, construct production facilities and commence production as soon as possible.

The Company is led by a team of experienced executives with a track record of successfully identifying and developing projects around the world. This team is complemented by the skills of our Indonesian partners to maximise the value of the Company's coal bed methane opportunities.

Rule 2.7, 3.10.3, 3.10.4, 3.10.5

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12, 04/03/13

Name of entity

NUENERGY GAS LIMITED

ABN

50 009 126 238

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | | |
|---|---|-----------------------------------|
| 1 | +Class of +securities issued or to be issued | FULLY PAID-UP ORDINARY SHARES |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | ISSUE OF UP TO 575,760,690 SHARES |
| 3 | Principal terms of the +securities (e.g. if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | N/A |

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

4	<p>Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?</p> <p>If the additional +securities do not rank equally, please state:</p> <ul style="list-style-type: none">• the date from which they do• the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment• the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment	YES
5	Issue price or consideration	\$0.035
6	Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)	THE FULLY PAID UP ORDINARY SHARES ARE ISSUED PURSUANT TO A RENOUNCEABLE PRO-RATA ENTITLEMENT OFFER ANNOUNCED ON 13 APRIL 2017
6a	<p>Is the entity an +eligible entity that has obtained security holder approval under rule 7.1A?</p> <p>If Yes, complete sections 6b – 6h in relation to the +securities the subject of this Appendix 3B, and comply with section 6i</p>	YES
6b	The date the security holder resolution under rule 7.1A was passed	16 NOVEMBER 2016
6c	Number of +securities issued without security holder approval under rule 7.1	NIL

+ See chapter 19 for defined terms.

6d	Number of +securities issued with security holder approval under rule 7.1A	NIL				
6e	Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)	NIL				
6f	Number of +securities issued under an exception in rule 7.2	NIL				
6g	If +securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the +issue date and both values. Include the source of the VWAP calculation.	NIL				
6h	If +securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements	NIL				
6i	Calculate the entity's remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements	SEE ANNEXURE 1				
7	+Issue dates Note: The issue date may be prescribed by ASX (refer to the definition of issue date in rule 19.12). For example, the issue date for a pro rata entitlement issue must comply with the applicable timetable in Appendix 7A. Cross reference: item 33 of Appendix 3B.	12 MAY 2017				
8	Number and +class of all +securities quoted on ASX (including the +securities in section 2 if applicable)	<table><tr><th>Number</th><th>+Class</th></tr><tr><td>1,727,282,069</td><td>FULLY PAID-UP ORDINARY SHARES</td></tr></table>	Number	+Class	1,727,282,069	FULLY PAID-UP ORDINARY SHARES
Number	+Class					
1,727,282,069	FULLY PAID-UP ORDINARY SHARES					

+ See chapter 19 for defined terms.

Appendix 3B

New issue announcement

	Number	+Class
9	Number and +class of all +securities not quoted on ASX (including the +securities in section 2 if applicable)	NIL
10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	NIL

Part 2 - Pro rata issue

11	Is security holder approval required?	NO
12	Is the issue renounceable or non-renounceable?	RENOUNCEABLE
13	Ratio in which the +securities will be offered	ONE (1) NEW SHARE FOR EVERY TWO (2) SHARES HELD
14	+Class of +securities to which the offer relates	FULLY PAID-UP ORDINARY SHARES
15	+Record date to determine entitlements	20 APRIL 2017
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	NO, ALL HOLDNGS ARE IN ONE REGISTER
17	Policy for deciding entitlements in relation to fractions	FRACTIONAL ENTITLEMENTS WILL BE ROUNDED UP TO THE NEAREST WHOLE NUMBER OF SHARES
18	Names of countries in which the entity has security holders who will not be sent new offer documents <small>Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.</small>	CANADA, CHINA, MALAYSIA, CAYMAN ISLAND, INDONESIA, SINGAPORE, USA, UNITED KINGDOM, HONG KONG
19	Closing date for receipt of acceptances or renunciations	5 MAY 2017

+ See chapter 19 for defined terms.

20	Names of any underwriters	N/A
21	Amount of any underwriting fee or commission	N/A
22	Names of any brokers to the issue	N/A
23	Fee or commission payable to the broker to the issue	N/A
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of security holders	N/A
25	If the issue is contingent on security holders' approval, the date of the meeting	N/A
26	Date entitlement and acceptance form and offer documents will be sent to persons entitled	26 APRIL 2017
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	N/A
28	Date rights trading will begin (if applicable)	19 April 2017
29	Date rights trading will end (if applicable)	28 April 2017
30	How do security holders sell their entitlements <i>in full</i> through a broker?	Eligible security holders who want to sell their entitlements in full on ASX through a broker can do so by instructing their broker personally and by providing details as requested in the Entitlement and Acceptance Form. All ASX sales of entitlements must be effected by close of the entitlements trading which is scheduled for 28 April 2017.
31	How do security holders sell part	Eligible security holders who want to sell part

+ See chapter 19 for defined terms.

of their entitlements through a broker and accept for the balance?

of their entitlements through a broker and accept the balance must:

- in respect of the part of the entitlement being taken up, complete and forward the Entitlement and Acceptance form to the NuEnergy share registry with the required Application Monies (being the issue price multiplied by the number of new shares applied for) or via BPAY by following the instructions set out on the Entitlement and Acceptance Form.
- in respect of the entitlements to be sold, instruct their broker personally and provide the details as requested in the Entitlement and Acceptance Form.

All ASX sales of entitlements must be effected by close of the entitlements trading period which is scheduled for 28 April 2017.

+ See chapter 19 for defined terms.

32	How do security holders dispose of their entitlements (except by sale through a broker)?	<p>Eligible security holders who wish to transfer all or part of their entitlement to another person other than on ASX (provided that the purchaser has an address in Australia or New Zealand and is not in the United States or acting for the account or benefit of a person in the United States) must forward a completed Renunciation and Acceptance Form to the NuEnergy share registry. If the transferee wishes to take up all or part of the entitlement transferred to them they must forward a completed Entitlement and Acceptance Form along with the Application Monies to the NuEnergy share registry.</p> <p>Renunciation and Acceptance Forms can be obtained from NuEnergy or from a stockbroker.</p> <p>The Renunciation and Acceptance Form as well as the transferee's Entitlement and Acceptance Form and Application Monies must be received by the NuEnergy share registry no later than 5:00pm (Sydney Time) on 5 May 2017.</p>
33	⁺ Issue date	12 MAY 2017

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

34	Type of ⁺ securities (tick one)	
(a)	<input checked="" type="checkbox"/> ⁺ Securities described in Part 1	
(b)	<input type="checkbox"/> All other ⁺ securities <small>Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities</small>	

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

⁺ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

- 35 ☐ If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders
- 36 ☐ If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories
1 - 1,000
1,001 - 5,000
5,001 - 10,000
10,001 - 100,000
100,001 and over
- 37 ☐ A copy of any trust deed for the additional +securities

+ See chapter 19 for defined terms.

Entities that have ticked box 34(b)

38	Number of +securities for which +quotation is sought		
39	+Class of +securities for which quotation is sought		
40	<p>Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?</p> <p>If the additional +securities do not rank equally, please state:</p> <ul style="list-style-type: none"> the date from which they do the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 		
41	<p>Reason for request for quotation now</p> <p>Example: In the case of restricted securities, end of restriction period</p> <p>(if issued upon conversion of another +security, clearly identify that other +security)</p>		
42	Number and +class of all +securities quoted on ASX (including the +securities in clause 38)	Number	+Class

+ See chapter 19 for defined terms.

Quotation agreement

1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.

2 We warrant the following to ASX.

- The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
- There is no reason why those +securities should not be granted +quotation.
- An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
- If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

4 We give ASX the information and documents required by this form. If any information or document is not available now, we will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.



Sign here: Date: 13 APRIL 2017
(Company secretary)

Print name: Rozanna Lee
.....
== == == == ==

+ See chapter 19 for defined terms.

Appendix 3B – Annexure 1

Calculation of placement capacity under rule 7.1 and rule 7.1A for eligible entities

Introduced 01/08/12 Amended 04/03/13

Part 1

Rule 7.1 – Issues exceeding 15% of capital	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
Insert number of fully paid +ordinary securities on issue 12 months before the +issue date or date of agreement to issue	1,151,521,379 on 13 April 2016
Add the following: <ul style="list-style-type: none"> Number of fully paid +ordinary securities issued in that 12 month period under an exception in rule 7.2 Number of fully paid +ordinary securities issued in that 12 month period with shareholder approval Number of partly paid +ordinary securities that became fully paid in that 12 month period Note: <ul style="list-style-type: none"> Include only ordinary securities here – other classes of equity securities cannot be added Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed It may be useful to set out issues of securities on different dates as separate line items 	0
Subtract the number of fully paid +ordinary securities cancelled during that 12 month period	0
“A”	1,151,521,379

+ See chapter 19 for defined terms.

Step 2: Calculate 15% of “A”	
“B”	0.15 <i>[Note: this value cannot be changed]</i>
Multiply “A” by 0.15	172,728,207
Step 3: Calculate “C”, the amount of placement capacity under rule 7.1 that has already been used	
Insert number of ⁺ equity securities issued or agreed to be issued in that 12 month period <i>not counting</i> those issued: <ul style="list-style-type: none"> Under an exception in rule 7.2 Under rule 7.1A With security holder approval under rule 7.1 or rule 7.4 Note: <ul style="list-style-type: none"> <i>This applies to equity securities, unless specifically excluded – not just ordinary securities</i> <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i> <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	0
“C”	0
Step 4: Subtract “C” from [“A” x “B”] to calculate remaining placement capacity under rule 7.1	
“A” x 0.15 <i>Note: number must be same as shown in Step 2</i>	172,728,207
Subtract “C” <i>Note: number must be same as shown in Step 3</i>	0
Total [“A” x 0.15] – “C”	172,728,207 <i>[Note: this is the remaining placement capacity under rule 7.1]</i>

+ See chapter 19 for defined terms.

Part 2

Rule 7.1A – Additional placement capacity for eligible entities	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
“A” <i>Note: number must be same as shown in Step 1 of Part 1</i>	1,151,521,379
Step 2: Calculate 10% of “A”	
“D”	0.10 <i>Note: this value cannot be changed</i>
Multiply “A” by 0.10	115,152,138
Step 3: Calculate “E”, the amount of placement capacity under rule 7.1A that has already been used	
Insert number of +equity securities issued or agreed to be issued in that 12 month period under rule 7.1A Notes: <ul style="list-style-type: none"> • This applies to equity securities – not just ordinary securities • Include here – if applicable – the securities the subject of the Appendix 3B to which this form is annexed • Do not include equity securities issued under rule 7.1 (they must be dealt with in Part 1), or for which specific security holder approval has been obtained • It may be useful to set out issues of securities on different dates as separate line items 	0
“E”	0

+ See chapter 19 for defined terms.

Step 4: Subtract “E” from [“A” x “D”] to calculate remaining placement capacity under rule 7.1A	
“A” x 0.10 <i>Note: number must be same as shown in Step 2</i>	115,152,138
Subtract “E” <i>Note: number must be same as shown in Step 3</i>	0
Total [“A” x 0.10] – “E”	115,152,138 <i>Note: this is the remaining placement capacity under rule 7.1A</i>

+ See chapter 19 for defined terms.