

ASX Release

6 December 2017

Company Announcement Officer
Australian Securities Exchange

Dear Sir/Madam

Clarification Announcement in relation to Annual Report of the Company for the year ending 30 June 2017

NuEnergy Gas Limited (**ASX:NGY**, “**NGY**” or “**the Company**”) refers to the Annual Report for the year ending 30 June 2017 lodged on the platform on 29 September 2017.

The Company would like to clarify the TEPPP Reserves Statement summarised on page 2 of the Report. The following should be included as part of the Review of Operations with reference to our ASX announcement titled “NuEnergy Receives Reserves Certification for the Tanjung Enim Pilot Production Program” that was announced on the 22 February 2017:

Reserves and Resources Methodology

The statement of Reserves and Resources in this annual report have been independently determined to Society of Petroleum Engineers (“SPE”) Petroleum Resource Management System (“PRMS”) standards by internationally recognised oil and gas consultants RPS Energy Consultants (“RPS”) (Announced on 22 February 2017) using probabilistic method. The evaluation has been conducted to evaluate the initial production results of the Tanjung Enim Pilot Production Program (“TEPPP”) and to determine the Reserves in the immediate vicinity of the tested wells and was based on data as at 1 December 2016. RPS has evaluated the 5 wells of the TEPPP which all have produced gas to surface at various levels, however only wells TE-11, TE-13 and TE-14 have continuous gas production at the period of evaluation that enables the produced gas volumes to be considered to be classified as Proved Reserves. RPS reviewed the production data and the Company’s well models and made appropriate adjustments where necessary to the models. The resulting models were utilized to derive the probabilistic production forecasts for the three wells under consideration (TE-11, TE-13 and TE-14) for the Low scenario and five wells (TE-10, TE-11, TE-12, TE-13 and TE-14) for the Best and High scenarios. In determining the reserves, RPS conducted an economic evaluation based on the estimates of recoverable volumes from the TEPPP wells, NGY’s capital and operating expenditure and other financial assumptions. Reserves are based on the contractual volume in the Memorandum of Understanding with PT Shalindo Energi signed on 30 November 2016, for a five year period starting in mid-2018 and are reported net of inert gases and fuel. No material changes have occurred in the assumptions as there were no subsequent drilling work programs.

Qualified Reserves and Resources Evaluator

Information on the Reserves and Resources in this annual report is based on an independent evaluation conducted by RPS, a leading independent petroleum advisory firm. The evaluation was carried out by RPS under the supervision of Mr Gordon Taylor, RPS Director, in accordance with the SPE-PRMS guidelines. Mr Taylor is a Fellow of The Geological Society and Chartered Geologist (“C.Geol”), Member and Chartered Engineer (“C.Eng”) of the Institute of Materials, Mining and Metallurgy, Member of the American Association of Petroleum Geologist (“AAPG”), Certified Petroleum Geologist of the Professional Affairs Division of the AAPG, and Member of the Society of Petroleum Engineers and a qualified person as defined under Chapter

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19 of the ASX Listing Rule and has given his consent to the use of the form and context of the Reserves Certification figures in the announcement dated 22 February 2017.

RPS is an independent advisory firm that evaluates resources and projects in the oil and gas industry. RPS offers the highest level of technical, commercial and strategic advice to clients around the world. RPS services include the preparation of independent reports for listed companies in accordance with regulatory requirements. RPS is independent with respect to NGY in accordance with the Valmin Code, ASX listing rules and ASIC requirements.

Reserves and Resources Governance

Independent consultants RPS are engaged to prepare the publically released Reserves and Resources assessments to SPE-PRMS standards. Under NGY disclosure policies all statements of Reserves and Resources are approved by the Deputy Executive Chairman and Chief Executive Officer prior to release. Public reporting of Reserves and Resources estimates are prepared in accordance with the requirements set out in Chapter 5 of the ASX Listing Rules and the Company's continuous disclosure policy.

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ABOUT NUENERGY

NuEnergy is an independent clean energy company focused on the development of Indonesian unconventional gas assets.

We were established with the goal of providing investors with superior value by safely, reliably and sustainably supplying clean energy to meet the growing energy demands of Indonesia, one of the world's fastest growing economies and energy consuming markets.

We hold six onshore Production Sharing Contracts (PSCs), across South Sumatra, Central Sumatra and East Kalimantan. We are now fully focused on quickly moving our high value unconventional gas assets from exploration to development stage, monetizing their reserves, delivering shareholder return and in turn working capital to fund future developments and strategic acquisitions.

NuEnergy has a clear strategy to drive future growth and maximise shareholder return. We are fully committed to complete our Plan of Development (POD) on our Tanjung Enim PSC, move to commercialization and first gas production.

We are proud to be a pioneer of Indonesia's clean energy industry, helping deliver reliable and robust energy supply to the people and businesses of Indonesia. Our focused strategy ensures we will soon become a significant Indonesian gas producer, maximizing shareholder value and return at every opportunity.

Shareholder Enquiries

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