

15 January 2018

## INDONESIA CBM RESERVES CERTIFICATION FOR TANJUNG ENIM PSC INITIAL POD

NuEnergy Gas Limited (ASX:NGY) ("NuEnergy") is pleased to announce that it has received the coal bed methane ("CBM") reserves certification from the Indonesia Research and Development Center for Oil and Gas Technology (commonly referred to as LEMIGAS) for the Tanjung Enim Production Sharing Contract ("TE PSC") initial Plan of Development ("POD") target development areas.

LEMIGAS is the Indonesian government research & technology institution operating in the area of upstream and downstream oil and gas business and has key roles in the development of the oil & gas industry through research, engineering and development activities.

The Indonesian CBM reserves certification is one of the required processes to be administered by a state agency such as LEMIGAS in the CBM POD preparation and forms the basis of the overall POD. Once the POD is approved, CBM commercial development may commence for that specified resource.

The CBM reserves certification has confirmed 86.05Bscf for P1 and 78.84Bscf for P2 totalling ~165Bscf for the target development areas covering 33 km<sup>2</sup> (or 13% of the TE PSC acreage). This will enable NuEnergy to deliver about 25 MMSCFD to the market through the development of over 200 wells once the POD is approved.

### **Details of LEMIGAS Reserves and Resources Assessment**

The following table summarises the LEMIGAS CBM reserves certification classified as P1 (proved) and P2 (probable) deliverable gas reserves:-

Area	Original Gas In Place (Bscf)		Remaining Gas Reserves (Bscf)	
	P1	P2	P1	P2
A	55.916	74.148	43.968	58.304
B	57.238	27.936	42.079	20.537
Total	113.154	102.084	86.047	78.842

### **Notes:**

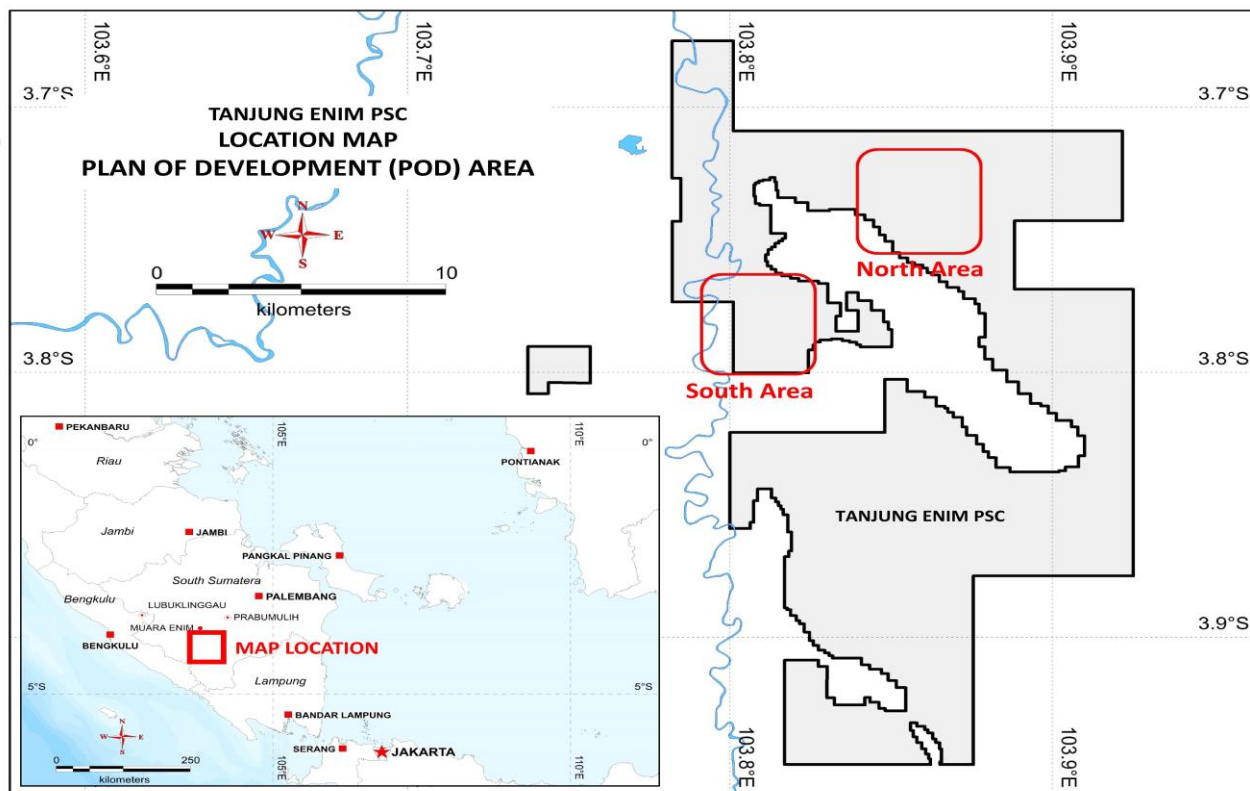
- 1) All volumes reported are based on gross (100%) interest which include NuEnergy's and its partner's interest as well as the Indonesian Government's share.
- 2) The estimated gas reserves reported is based upon available information when the certification was carried out.
- 3) The estimated gas reserves may change in the future as additional data from new wells and/or further production history become available.
- 4) The CBM gas reserves is expressed in billion standard cubic feet (Bscf) at surface condition (temperature of 60 degrees Fahrenheit and pressure of 14.7 pound per square inch absolute).

The certification covers target development areas which are concentrated in the north and south area of the TE PSC where NuEnergy has focused exploration, drilling and pilot production activities over the last 8 years.

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### Target Development Areas of the Tanjung Enim PSC (Initial POD)



The quantities of the CBM reserves have been estimated by LEMIGAS based on the most known standard integrated approaches of geological, geophysical and engineering methods using the latest information at the time the reserves estimation was made.

The term of gas reserves used is gross reserves, which is defined as the total gas technically able to be produced after December 2017. The gas reserves in the certification is classified as proved (P1) and probable (P2) reserves. In the analysis, the reserves figures were estimated as results of prediction using the Dynamic Modelling.

The CBM reserves were established according to LEMIGAS definition of proved and probable as follows:

#### **Proved**

Proved reserves is the quantity of CBM potential which can be estimated with reasonable certainty to be commercially recoverable from a given date forward, from known reservoirs and under current economic conditions, operating methods, and government regulations based upon analysis of geological and engineering data. Commercial productivity has been established by actual production, successful testing, and in certain cases, by well logs and/or core analysis that indicate the subject coal seams. Volumetrically, the structural area extent delineated by drilling and defined as the area which covered optimum area within which wells were proved by production test, otherwise indicated by definitive geological, engineering or performance data.

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### **Probable**

Probable reserves may include anticipated reserves in formations that appear to be productive based on well log characteristics but lack of core data or definitive tests, therefore sub-surface control is inadequate to classify these reserves as proved. These anticipated reserves may be proved by new information provided by normal step-out drilling which would classify these probable reserves as proved reserves.

Commenting on the Indonesian CBM reserves certification by LEMIGAS, NuEnergy Deputy Executive Chairman, Kee Yong Wah said: "This certification is an endorsement and a very clear indicator of the underlying prospects of the Tanjung Enim asset and is in line with our expectation of the coal seams in the South Sumatra region. The Tanjung Enim initial target development area only represents 1.4% of our total South Sumatra PSCs acreage of 2,280 km<sup>2</sup> and we are excited about the huge potential of our other South Sumatra PSCs with the expectation that the Tanjung Enim target development area is a representation of the rest of these assets. We are into the final stages of the TE POD preparation and look forward to communicating more positive results."

### **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 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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