

June 2019

HIGHLIGHTS

- **Submission of Tanjung Enim Gross Split PSC proposal to progress the Plan of Development approval**
- **Continuing efforts for capital raising to fund the exploration and development of NuEnergy operated CBM PSCs in Indonesia**

Operations Report

During the quarter, NuEnergy's operations were mainly focused on the submission of Tanjung Enim Gross Split Production Sharing Contract ("PSC") proposal to progress the Plan of Development ("POD") approval.

Tanjung Enim PSC

South Sumatra, Indonesia

NuEnergy Interest: 45%

Operator: Dart Energy (Tanjung Enim) Pte Ltd (a subsidiary of NuEnergy)

Since the Tanjung Enim POD submission and receiving the local government support, NuEnergy conducted a review to evaluate the Tanjung Enim POD with the Indonesia Ministry of Energy and Mineral Resources in order to optimise the economics for the development for NuEnergy and partners and the Government of Indonesia. The optimisation included the modification of the production facilities and drilling rigs to CBM fit for purpose and change to the development layout to reduce the land requirement or foot print. In addition, NuEnergy and partners have agreed to submit the Gross Split scheme proposal to the Indonesian Special Task Force for Upstream Oil and Gas Business Activities (commonly referred to as SKK Migas) to further improve on the economics of the Tanjung Enim POD through less stringent contract regulation and increased flexibility and efficiency provided under the Gross Split contract.

Concurrently, NuEnergy is also progressing the gas sales discussion with PT Pertamina Gas (refer to ASX announcement on 28 September 2017) and has agreed some key milestones towards signing the Gas Sales and Purchase Agreement. NGY is also having discussions with other potential buyers to access a higher range of gas prices along the transmission pipeline situated in the north of the PSC, which has greater market access and flexibility to the major city of Palembang in South Sumatra.

With the above progress, we are optimistic that Tanjung Enim POD will soon become the first CBM POD to be approved in Indonesia.

Capital Raising

On 1 April 2019, NuEnergy signed a binding Investment Agreement ("IA") with Saujana E&P Sdn Bhd ("Saujana E&P") to fund the development of its Indonesian CBM PSCs programs and the Tanjung Enim POD (refer to ASX announcement on 2 April 2019). The IA was however terminated on 5 June 2019 as Saujana E&P failed to make the deposit payment under the terms of the IA despite several extensions granted to Saujana E&P.

Nevertheless, the Company has initiated steps to raise cash to fund its operations which it believes are likely to be successful. While progressing the Tanjung Enim POD approval from the Government of Indonesia, the Company is currently in dialogue with third parties who have made funding approaches, have expressed an interest in the POD project and would support the Company develop its other PSCs. The Company will ensure the necessary release is made once funding is firmed and the decision is finalised and approved by the Board.

Subsequent to the quarter end, the Company was further granted a loan of US\$140,000 from AIC Corporation Sdn Bhd, a subsidiary of the ultimate parent company, Globaltec Formation Berhad to fund the on-going working capital of the Group.

ABOUT NUENERGY GAS LIMITED

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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