

December 2020

HIGHLIGHTS

- Significant attention placed on the grant of Tanjung Enim Plan of Development
- Continuing efforts to secure approval for Tanjung Enim Contract Amendment to Gross Split
- Preparation of drilling MU005 Twin well is under way for Muralim PSC
- Muara Enim PSC update

During the quarter NuEnergy's attention was principally focused on efforts to secure approval of the Tanjung Enim Production Sharing Contract ("PSC") Plan of Development 1 ("POD 1"), continuing effort to amend the Tanjung Enim PSC contract towards a Gross Split basis and preparation for drilling a twin well to MU005 in the Muralim PSC. In the background dealing with the Covid-19 pandemic has slowed progress of NuEnergy's exploration activities.

Since the end of the quarter (refer ASX Announcement on 21 January 2021), the Company received an Acknowledgement Letter from the Indonesian authorities in connection with its 40% working interest in the 587 km² Muara Enim PSC located in South Sumatra, which:

- confirmed the discovery of natural gas in the Muara Enim PSC area;
- acknowledged the completion of the exploration firm commitments by NuEnergy in respect of the Muara Enim PSC; and
- allows NuEnergy to submit a plan of development (POD) within the next 3 years from 18 January 2021.

This development marks the second POD possibility for NuEnergy on its Coalbed Methane ("CBM") assets and represents a positive move by the authorities to advance the industry opportunities in the unconventional gas arena in Indonesia.

On a further note, the Metalla Shares that were obtained as part of the proceeds from the recent disposal of NuEnergy's gold royalty in the last quarter, has risen in value from the then contracted \$4 million as at the time of disposal of the gold royalty, to approximately \$6 million as at the date of this report. In addition, an embargo on the sale of shares imposed by the Canadian TSX Venture Exchange expires on 29 January 2021 marking four months and one day since the completion of the Royalty Purchase and Sale Agreement.

Operations Report During The Quarter

Tanjung Enim PSC

South Sumatra, Indonesia

NuEnergy Interest: 45%

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

NuEnergy continued with its engagement with the Government of Indonesia to secure approval of Tanjung Enim Gross Split PSC and POD 1. The ongoing discussions and engagements with the PSC partners, the Special Task Force for Upstream Oil and Gas Business Activities ("SKK Migas"), the Directorate General of Oil and Gas

(“Migas”) and the Ministry of Energy and Mineral Resources (“MEMR”) office have moved to the final stage towards the Tanjung Enim POD 1 approval.

With the above progress, we are hopeful the Tanjung Enim POD 1 should soon become the first CBM POD to be approved in Indonesia.

Muralim PSC

South Sumatra, Indonesia

NuEnergy Interest: 100%

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

NuEnergy has finalised a work-scope with SKK Migas in preparation to drill a twin well to MU005 in an effort to prepare for the Exploration Status Decision stage and POD submission by end of May 2021.

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 four onshore Production Sharing Contracts (PSCs), across South Sumatra. 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 first 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.

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