NuEnergy
ABN 50 009 126 238

QUARTERLY REPORT

June 2023 (Revised*)

*The quarterly report has been updated to include an update on the Muara Enim PSC tenement.

HIGHLIGHTS

- **Towards early gas sales for the Tanjung Enim First Plan of Development**
- **Granted Tax Exemption Facilities From The Indonesian Ministry Of Finance**

During the current quarter, NuEnergy continued with its focus on the implementation of its Plan of Development ("POD 1") for the Tanjung Enim Production Sharing Contract ("PSC").

OPERATIONS REPORT FOR THE QUARTER

Tanjung Enim PSC
South Sumatra, Indonesia
NuEnergy Participating Interest: 45%
Operator: Dart Energy (Tanjung Enim) Pte Ltd ("DETE") (a subsidiary of NuEnergy)

NuEnergy continued to focus on executing its POD 1 implementation with the objective to achieve early gas sales. In relation hereto, NuEnergy has signed a Heads of Agreement ("HOA") on 10 February 2023 with PT. Laras Ngarso Gede ("Laras Energy") for the supply and sale commitment by NuEnergy and the purchase commitment by Laras Energy, of coal bed methane ("CBM") produced from Tanjung Enim's POD 1. Subsequently, NuEnergy submitted a letter of request for gas allocation and price, to the Indonesian Special Task Force for Upstream Oil and Gas Business Activities ("SKK Migas") on 14 February 2023. All the required documentation, including the performance guarantee from Laras Energy has already been submitted and is now pending SKK Migas's recommendation of approval for gas allocation and price to the Ministry of Energy and Mineral Resources ("MEMR"). Concurrently NuEnergy is working on the draft Gas Sales Agreement with Laras Energy.

In addition, NuEnergy has completed and submitted the necessary environmental impact studies' application as required under the POD 1 and is now pending approval from the Ministry of Environment and Forestry of Indonesia.

NuEnergy has also finalised the location of all the proposed well sites and is in the final stage of land acquisition. NuEnergy and SKK Migas representatives have already conducted a site visit and joined in the socialization process with the local community on 6 June 2023. NuEnergy has initiated the procurement process of long lead time items to the vendors, and also appointed some of the service companies necessary for the early gas sales program.

Muralim PSC
South Sumatra, Indonesia
NuEnergy Participating Interest: 100%
Operator: Dart Energy (Muralim) Pte Ltd ("DEMU") (a subsidiary of NuEnergy)

NuEnergy continues to conduct the dewatering process on MU-005TW Well to determine its gas production data. The water production is higher than earlier expected and this has slowed the progress to complete the dewatering process. NuEnergy plans to improve the dewatering rate by activating an existing well, MU-006.

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Due to the high-water production causing a delay in the completion of the dewatering process, NuEnergy had discussions with SKK Migas to extend the exploration period beyond the deadline of 18 July 2023. SKK Migas has agreed and has made a recommendation to the MEMR for a 19 months' extension of the exploration period.

Muara Enim II PSC
South Sumatra, Indonesia
NuEnergy Participating Interest: 30%
Operator: Indo CBM Sumbagsel II Pte Ltd (a subsidiary of NuEnergy)

On 9 February 2023, NuEnergy obtained the letter of approval from the MEMR dated 7 February 2023, for an additional exploration period of 24 months until 29 January 2025 to complete the exploration firm commitments for the Muara Enim II PSC.

The additional exploration period is to enable NuEnergy gather gas production data in order to proceed with reserves certification to fulfill a POD submission requirement This will enable the Muara Enim II PSC to migrate from exploration to development status.

Muara Enim PSC
South Sumatra, Indonesia
NuEnergy Participating Interest: 40%
Operator: PT Trisula CBM Energi (a subsidiary of NuEnergy)

NuEnergy has on 18 January 2021 received an acknowledgement letter from SKK Migas. The acknowledgement letter:

i) confirms the discoveries of natural gas;
ii) acknowledges the completion of exploration firm commitments by NuEnergy; and
iii) allows NuEnergy to submit a plan of development within the next 3 years from 18 January 2021.

There has been no major activity during the current quarter.

Tax Exemption Facilities from the the Indonesian Ministry of Finance

As announced by NuEnergy on 23 June 2023, its wholly-owned subsidiaries, DETE and DEMU, both with Gross Split Production Sharing Contracts ("Gross Split PSC") has respectively on 22 June 2023, received letters dated 21 June 2023 from the Indonesian Ministry of Finance, on the award of tax exemption facilities ("Tax Exemption Facilities") from the Indonesian Ministry of Finance to DETE and DEMU.

The following Tax Exemption Facilities for both DETE and DEMU continues throughout the exploration period until the start of commercial production:

a) value-added taxes and luxury-goods sales tax (if any) on the following purchases intended for oil and gas operational purposes are treated as not-collected:
   - taxable goods and/or services; and
   - taxable offshore intangible goods and/or services utilised within the Indonesian Customs Area.
b) 100% reduction of Land and Building Tax (*Pajak Bumi dan Bangunan* (LBT));

which shall be effective from the respective dates of the Gross Split PSCs and shall expire on the earlier of the below events:

i) the expiry of the respective Gross Split PSC;
ii) the termination of the respective Gross Split PSC prior to commercial production; or
iii) upon commencement of commercial production.

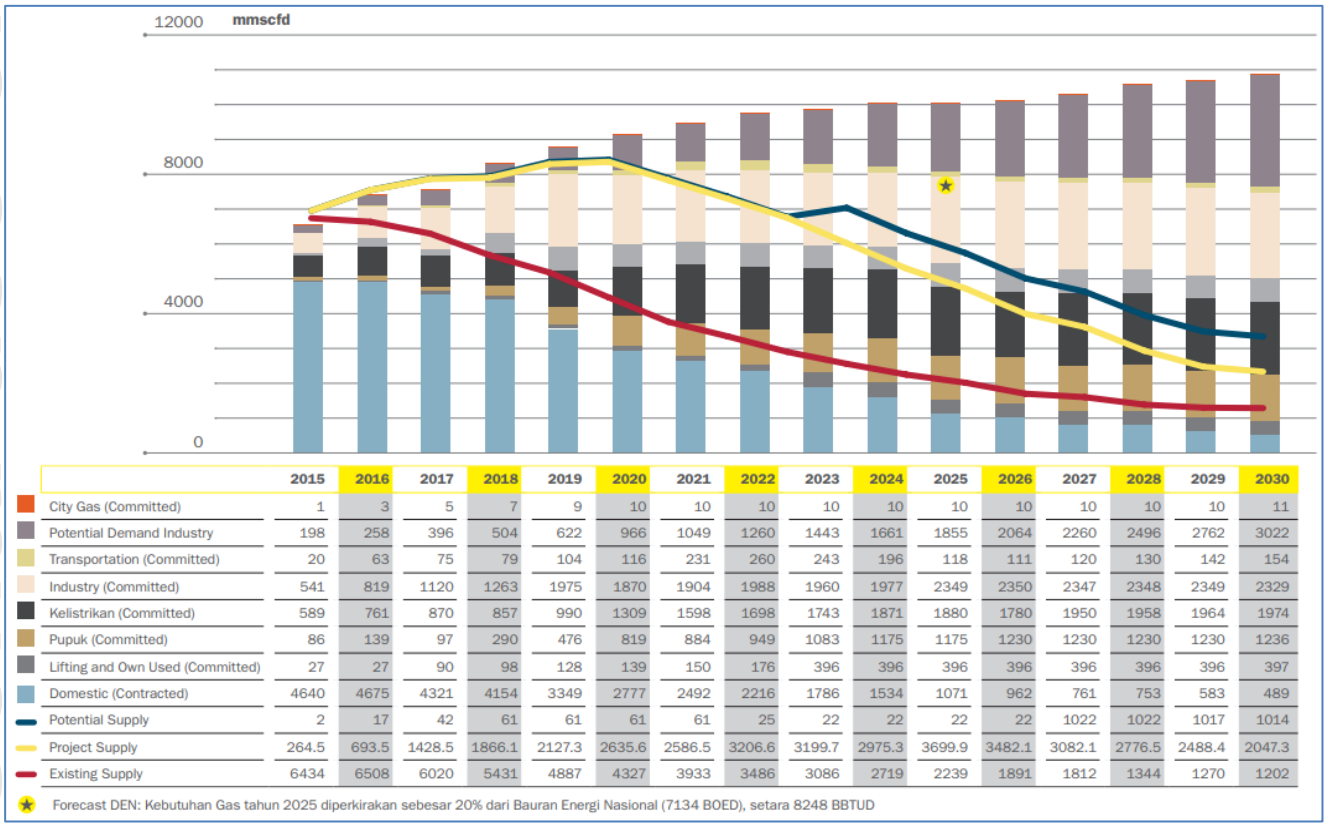
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The dates of the Gross Split PSC of DETE and DEMU are 17 June 2021 and 8 May 2019 respectively.

NUENERGY'S PLANS AND COMMITMENT TO SUSTAINABILITY

NuEnergy fully supports the Indonesian nation's transition towards a low carbon future.

Indonesia's Natural Gas Supply And Demand (2014 – 2030)



	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
City Gas (Committed)	1	3	5	7	9	10	10	10	10	10	10	10	10	10	10	11
Potential Demand Industry	198	258	396	504	622	966	1049	1260	1443	1661	1855	2064	2260	2496	2762	3022
Transportation (Committed)	20	63	75	79	104	116	231	260	243	196	118	111	120	130	142	154
Industry (Committed)	541	819	1120	1263	1975	1870	1904	1988	1960	1977	2349	2350	2347	2348	2349	2329
Kelistrikan (Committed)	589	761	870	857	990	1309	1598	1698	1743	1871	1880	1780	1950	1958	1964	1974
Pupuk (Committed)	86	139	97	290	476	819	884	949	1083	1175	1175	1230	1230	1230	1230	1236
Lifting and Own Used (Committed)	27	27	90	98	128	139	150	176	396	396	396	396	396	396	396	397
Domestic (Contracted)	4640	4675	4321	4154	3349	2777	2492	2216	1786	1534	1071	962	761	753	583	489
Potential Supply	2	17	42	61	61	61	61	25	22	22	22	22	1022	1022	1017	1014
Project Supply	264.5	693.5	1428.5	1866.1	2127.3	2635.6	2586.5	3206.6	3199.7	2975.3	3699.9	3482.1	3082.1	2776.5	2488.4	2047.3
Existing Supply	6434	6508	6020	5431	4887	4327	3933	3486	3086	2719	2239	1891	1812	1344	1270	1202

Forecast DEN: Kebutuhan Gas tahun 2025 diperkirakan sebesar 20% dari Bauran Energi Nasional (7134 BOED), setara 8248 BBTUD

Figure 1: Published by MEMR, Jakarta, August 2015

As can be seen from Figure 1 above, as the demand for energy/gas in Indonesia is expected to increase beyond 2030, Indonesia in its mission for a low carbon future, plans to stop building new coal-fired plants after 2023, with additional electrical capacity to be generated from only new and renewable sources.

The setting of a Net Zero Emission ("NZE") target encourages the transition to New and Renewable Energy ("NRE") to meet the increasing energy demand. However, the technology to maintain the stability of NRE supply is not optimized to completely replace the use of fossil fuels especially natural gas (Methane). Use of natural gas, in the production of energy, is cleaner than oil and coal as it produces much less CO_2 and it is readily available. Switching to natural gas is an effective solution in achieving NZE. Thus, natural gas is an energy source that can fill the gap in demand during the transition period.

The Indonesia Government targets to increase natural gas production to 12 billion standard cubic feet per day ("BSCFD") by 2030 versus only 5.3 BSCFD currently being produced as of September 2022.

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TANJUNG ENIM PSC OVERVIEW

The Tanjung Enim PSC Area, with a total acreage of 249.10 sq km., is located near the fast-growing economy and industrial cities of Prabumulih (50 km) and Palembang (200 km) respectively, in South Sumatra, Indonesia. South Sumatra is one of the regions in Indonesia with abundant land and energy resources. Tanjung Enim PSC is only about 24 km to Lematang Gas Pipeline which links to the main pipeline owned by Pertamina Gas ("Pertagas") which is a subsidiary of Pertamina Gas Negara, a national oil and gas company of Indonesia. The pipeline supplies gas to the region, Singapore and Java Island where the Capital city, Jakarta is located. Hence, the Tanjung Enim PSC is in an enviable position for the Indonesian Government to implement the Green Growth Masterplan, a plan that was put in place by the Indonesian and regional Government in order to achieve sustainable economic growth while reducing greenhouse gas emissions for a healthy and productive ecosystem.

The exploration activities in the Tanjung Enim PSC area carried out by NuEnergy has been ongoing since 2010, mainly focused on the area "A" and area "B", (as depicted in Figure 2 below) targeting the M2 (seam A1-C) coal group of the Muara Enim formation, South Sumatra Basin. Since May 2017, NuEnergy has conducted exploration activities in the form of five (5) geological and geophysical studies and thirteen (13) wells drilled (comprising of exploration wells, core holes and production/dewatering test wells).

The exploration and production tests have succeeded in producing a number of CBM discoveries as reported from wells in Area A, namely wells TECBM # P01-C, TECBM # P02-C, TECBM # P01-P, TECBM # P02-P, and TECBM # P03-P, and in Area B; namely wells TE-007C, TE-008C, TE-009C, TE-010, TE-011, TE-012, TE-013 and TE-014. From the drilling results it has been proven that the CBM flow rate is evidence that CBM in this field can be produced economically.

On 17 June 2021, MEMR approved NuEnergy's Tanjung Enim POD 1, under a gross split scheme in South Sumatra which will allow the PSC to proceed to field development and surface facility construction. The approval of the Tanjung Enim POD 1 also represents the first CBM POD in Indonesia. The Tanjung Enim POD 1 approval covers the development of 209 wells in two target areas, in the north and south of the contract area covering ~33km^2 (or 13% of the total acreage of the Tanjung Enim Gross Split PSC) where the Indonesia Research and Development Center for Oil and Gas Technology has confirmed and certified reserves totalling ~164.89 BSCF in these areas.

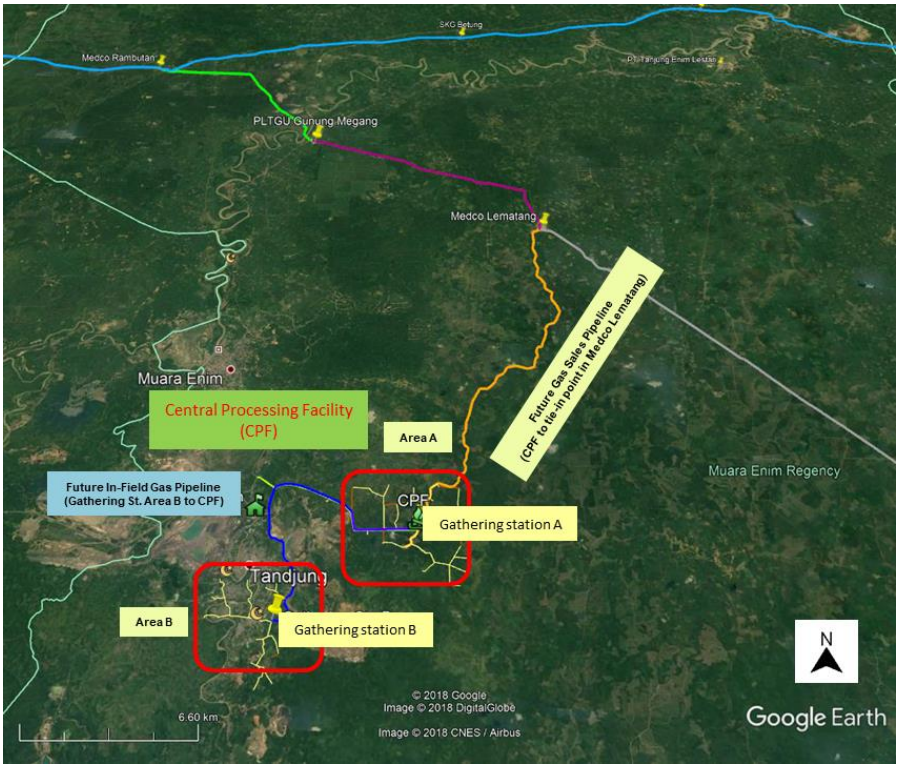


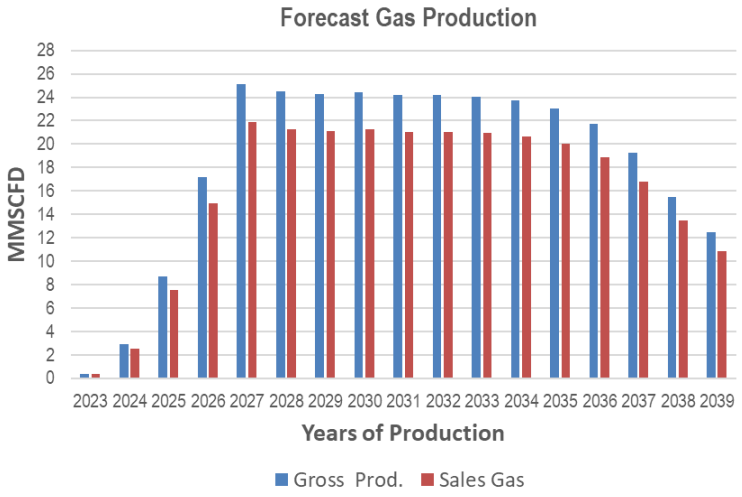
Figure 2: An aerial view of Tanjung Enim POD 1 area

Corporate Office
C/- KPMG, L
International Towers Sydney
300 Barangaroo Avenue
Sydney NSW 2000
AUSTRALIA
T: +61 2 8076 7600

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TANJUNG ENIM POD 1 IMPLEMENTATION PLAN

- Sales Prod.
  Phase 1 - 1 MMSCFD,
  Phase 2 – 5 MMSCFD,
  Phase 3 – 18 MMSCFD
- 209 Wells (until end of Contract)



FIELD	Wells	Years																
		2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039
TANJUNG ENIM	209	4	20	60	9	7	16	21	13	13	12	14	10	10	-	-	-	-

Figure 3

The Tanjung Enim POD 1 is estimated to produce around 25 MMSCFD of gas during the "production plateau" with a total of 209 wells to be drilled throughout the POD period. NuEnergy plans to implement the Tanjung Enim POD 1, in stages as illustrated in Figure 3 above. 84 wells are planned to be drilled to achieve the peak production of 25 MMSCFD, whilst the remaining wells will be drilled over the remaining POD period to maintain the production plateau.

The initial implementation will start off with 1 MMSCFD with the objective to achieve early gas sales by targeting the underserved market within South Sumatra which would help the industry in the vicinity to gradually migrate from using non-environmental friendly fuel to clean energy.

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 in Indonesia, one of the world's fastest growing economies and energy consuming markets.

We hold four onshore coal bed methane ("CBM") Production Sharing Contracts ("PSCs"), across South Sumatra. We are now fully focused on moving our high-value unconventional gas assets from exploration to the development stage, monetizing their reserves, delivering shareholder return, and in turn working capital to fund future developments and strategic acquisitions.

NuEnergy's strategy is to integrate all its PSCs in South Sumatra as a CBM hub to supply sustainable clean energy to the local market and the country.

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

We are proud to be a pioneer of Indonesia's clean energy industry, helping deliver a 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
Alan Fraser
Director
+61 412 635 000

Rozanna Lee
Company Secretary
+61 2 8076 7600

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