

Perth (ASX: CRD)

08 November 2022

Approval of Mako Field (Duyung PSC) Plan of Development (POD) Revision and 458% Increase in Contingent Resources

Highlights

- Indonesian Government approves Mako Gas field POD Revision, representing an important milestone in the project's development.
- Contingent Resources increased by 458% (relative to the initial POD) to 297 billion cubic feet (net attributable to Joint Venture) post successful 2019 appraisal drilling. Conrad (PSC operator) holds 76.5% Participating Interest in the Duyung PSC.
- Indonesian government approval to export up to 100% of gas production to Singapore.
- Production to commence in 2025 at up to 120 million cubic feet of gas per day.
- Mako gas field development enhances Indonesia's plan to double gas production by 2030.
- Pipeline gas provides secure and reliable energy to Singapore that is less carbon intensive than LNG.

Conrad Asia Energy Ltd (ASX:CRD) ("Conrad", or the "Company") is pleased to announce that West Natuna Exploration Ltd ("WNEL"), a wholly owned subsidiary of Conrad and operator of the Mako Gas Field (Duyung PSC), has received written approval from the Indonesian Minister of Energy and Mineral Resources for the Plan of Development (POD) Revision for Mako Gas Field.

The approved POD reflects an 458% increase in Contingent Resources (and significant increase in gas production offtake rate) following a successful 2019 drilling campaign and amends the initial POD which was approved in 2018. The award of the revised POD represents a material event in progressing the Mako project and is a significant milestone on the critical path to developing this significant resource, which is currently the largest undeveloped gas field in South Natuna Sea.

The revised POD is based on field Contingent Resources of 297 billion cubic feet (net attributable to Joint Venture) and a daily production of 120 mmscfd (consistent with the GaffneyCline Associates competent persons report, 26th August, 2022). At present, there is no infrastructure to transmit gas from the Mako field to domestic markets in Indonesia, and hence the POD approves the export of production to Singapore which is already connected to the West Natuna Gas Transportation System, until and unless such evacuation routes to Indonesia are built, at which point up to 25% of production may be allocated for domestic sale. The existing underutilised gas pipeline to Singapore expedites the development of Mako where Conrad expects to start producing gas during 2025.

Conrad holds a 76.5% Participating Interest in the Duyung PSC along with Coro Energy Duyung (Singapore) Pte. Ltd (part of London AIM-listed Coro Energy Ltd, 15% Participating Interest) and Emphyrean Energy PLC (8.5% Participating Interest), a company incorporated in England.

Conrad Managing Director and Chief Executive Officer, Miltos Xynogalas, commented *"This marks an important and significant milestone in the development of the Mako Gas Field for the Duyung PSC Contractor Partners, with the revised Plan of Development now approved and the Contingent Resources increased by 458% to 297 billion cubic feet (net attributable to Joint Venture) post successful appraisal drilling.*

It also represents a significant milestone for the Indonesian government's objectives for its people in the exploitation of the nation's natural resources, with the Mako project enhancing Indonesia's stated goal of doubling its gas production by 2030. The next key milestone in the development of Mako is the finalisation of a gas sales agreement, with a buyer (or buyers) in Singapore. With recoverable gas volumes and daily production now formally approved within the POD Revision, we anticipate, and look forward to working with the government of Indonesia, in completing gas sales agreement negotiations at the earliest opportunity."

This ASX announcement was authorised for release by Conrad Asia Energy Limited's Managing Director and CEO, Miltos Xynogalas.

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