

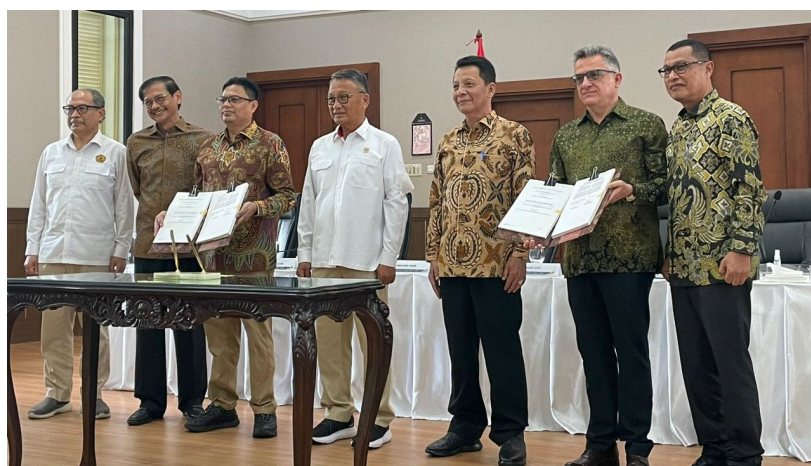
6 January 2023

## Conrad confirms new licence acquisition containing existing gas resources as well as multi Tcf exploration potential

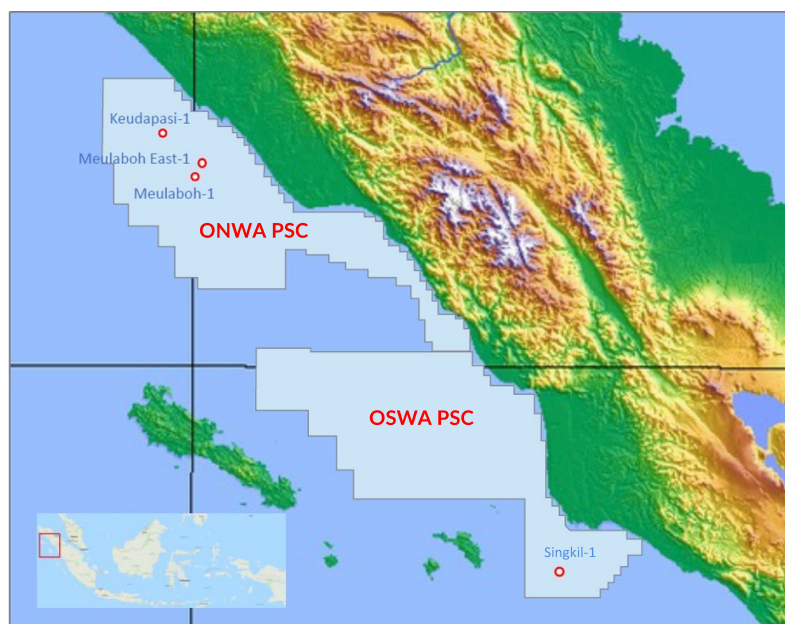
### Highlights

- As foreshadowed in recent releases, Conrad yesterday signed two new Production Sharing Contracts (“PSCs”) for offshore northwest and southwest Aceh, where Conrad will operate and hold a 100% Participating Interest in each block.
- Over the past four years Conrad conducted joint technical studies under Joint Study Area (“JSA”) arrangements over the blocks, which have now been converted to PSCs with 30-year tenure. This will allow Conrad to develop existing discoveries and explore for additional resources.
- The blocks contain known gas discoveries (Contingent Resources) in shallow water and at shallow reservoir depths as well as additional prospectivity in both the shallow and deeper-water areas of the PSCs.
- The gas discoveries in the shallow water were made in the 1970’s and have all been successfully flow tested at potentially commercial rates. They were not developed at the time due to prevailing low gas prices and immature markets.
- The deep-water areas have several areally large structures with multi-trillion cubic feet potential that Conrad has already identified with gas chimneys and flat spots displayed on seismic data, indicating evidence of potential hydrocarbons.
- Despite the numerous discoveries, the PSCs are classified as “frontier areas” and have been granted attractive fiscal terms which are amongst the most favourable in Indonesia.
- Conrad has initiated third-party competent persons reports for the known gas discoveries which will contain Contingent Resource estimates and valuations based on conceptual development plans.

Conrad Asia Energy Ltd (ASX:CRD) (“Conrad”, or the “Company”) is pleased to announce that the Company has signed Production Sharing Contracts (“PSCs”) for the Offshore North West Aceh (“Meulaboh”) and Offshore South West Aceh (“Singkil”) PSCs located offshore northwest and southwest of the Aceh Province of Indonesia. Conrad will operate and hold a 100% Participating Interest in both blocks. These acquisitions are consistent with Conrad’s core strategy of developing assets with the potential to supply gas to the rapidly growing South East Asia markets.



Conrad CEO and founder Miltos Xynogalas (2<sup>nd</sup> from right) holding the signed PSC contracts at a signing ceremony in the Ministry of Energy and Mines in Jakarta



Location Map of offshore Aceh PSCs awarded to Conrad

In November 2018, Conrad was granted two Joint Study Areas (“JSAs”) located offshore northwest and southwest of the Aceh Province. Meulaboh and Singkil were offered under the Indonesia Petroleum Bidding Round (IPBR) 2022 first licencing round, in which Conrad submitted bids on 5 September 2022. Due to the deep-water environment and the lack of exploration in large parts of each block, notwithstanding the existing discoveries in the shallow water, the blocks are deemed by the Indonesian authorities as “frontier” with corresponding fiscal arrangements which are attractive and favourable compared to Indonesian PSCs over blocks in more mature areas. The deeper water areas are under explored, but recent seismic surveys have delineated prospective leads with gas potential, with existing seismic showing flat spots and gas chimneys, indicating evidence of the presence of hydrocarbons.

On the 8 November 2022, the Ministry of Energy and Mines of Indonesia announced that Conrad had submitted winning bids for both blocks. Conrad signed the two new PSCs on 5 January 2023.

The total committed work program for each PSC is US\$15 million and includes geological studies for 2023, 500 square kilometres of 3D seismic acquisition for 2024 and the drilling of a well for 2025. The costs of the 2023 commitments will be funded from the Company’s recent public offering on the Australian Securities Exchange. The costs for subsequent activities will be from various sources including farm-in partners as the PSCs are matured and the commencement of cash flow from the Mako gas field.

The PSCs contain hydrocarbon potential around the existing shallow water gas discoveries close to shore and in the under explored deep-water portions of the blocks. The water depths in the two working areas vary between 5 metres and 1,500 metres, with the existing discoveries located in water depths of less than 100 metres.

The shallow water discoveries, located close to shore, were made in the 1970’s and are sited in geological formations known as “pinnacle reefs”. Based on well reports, the discoveries include:

- Singkil-1 (OSWA, 1973) discovered a gas column of approximately 270 ft and flowed gas at a maximum rate of 10.06 million standard cubic feet per day (mmscfd).
- Meulaboh-1 (ONWA, 1970) discovered a gas column of approximately 90 ft and flowed gas at a maximum rate of 6.7 mmscfd.
- Keudepasi-1 (ONWA, 1973) discovered a gas column of approximately 60ft and flowed gas at a maximum rate of 5.34 mmscfd.
- Meulaboh East-2 (ONWA, 1975). discovered a gas column of approximately 30 ft and flowed gas at a maximum rate of 7.99 mmscfd.

The gas flowed to surface from all of the discoveries is predominantly methane gas (CH<sub>4</sub>), with very small amounts of carbon dioxide (CO<sub>2</sub> ~0.04%) and nitrogen (N<sub>2</sub> ~0.13%).

Conrad has initiated third-party competent persons reports for the known gas discoveries in both blocks. These reports will contain Contingent Resource estimates and valuations based on conceptual development plans.

The Company has already identified additional leads within the shallow-water areas that will be further matured in the coming months following the acquisition of further 3D seismic data. There are near-term local market opportunities for the shallow water gas discoveries that have already been identified by Conrad. If successful, the larger plays located in the deeper water have the potential to supply the burgeoning markets in South East Asia and are part of Conrad Asia's aspirations to build a regional gas production company in this rapidly growing market gas.

Conrad intends to initiate independent prospectivity reviews of the deep-water exploration potential of the PSCs.

**Conrad Managing Director and Chief Executive Officer, Miltos Xynogalas, commented,** *"The award of these two PSCs is a transformational event for Conrad as these blocks contain discoveries that significantly increase our resource base and offer the opportunity for Conrad to add several gas projects to its existing large Mako gas project. Conrad's initial scoping study of gas markets in the region has been positive and we are optimistic of commercialising these discoveries and delivering a portfolio of growth opportunities to our shareholders.*

*There is significant upside for Conrad in the exploratory opportunities that exist in both the shallow- and the deep-water areas, where we have already identified a host of high impact gas plays. The deep-water areas potentially contain several multi trillion cubic feet in size gas leads, with evidence of hydrocarbon accumulations from observed gas chimneys and seismic flat spots. The most prospective leads are in 1,000 metres of water, which by global standards is not deep. Conrad has a 100% working interest in these blocks and will be seeking partners to participate in exploration efforts in these areas. Major companies have already expressed an interest to review our data.*

*We are delighted to have been awarded these PSCs, and to have matured the blocks from when we first started to evaluate them some four years ago. These blocks are consistent with our company strategy of being focussed on gas in offshore locations within Asia, in order to build our gas portfolio in the region, with potential to supply gas to the rapidly growing markets in South East Asia."*

**Conrad Chairman, Peter Botten, commented,** *"The markets for gas in the general Asian region and in particular Indonesia are very strong as the country has experienced strong economic growth over the past years. At the recent G20 meeting in Indonesia, the world pledged to finance Indonesia US\$20 billion to help it transition away from coal. Gas is the important transition fuel in the fourth most populous country in the world. Indonesia is looking to double its gas production by 2030 and is actively encouraging the exploration and development of natural gas where it recently announced it would need some US\$170 billion in upstream investment by 2030. Conrad is delighted to be an active participant in this important initiative to secure vital energy supplies in this growing economy."*

Authorised by the Board.

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