16 May 2023

ASX: CRD

75% Increase in Conrad Total Net Attributable Resources

Highlights

- **Competent Persons Reports ("CPRs") completed on Conrad's shallow water areas of two offshore Aceh Production Sharing Contracts ("PSCs") have estimated a gross (100%) 2C Contingent Resource of 214 billion cubic feet ("Bcf") of sales gas (161 Bcf net attributable to Conrad) in three of the four discovered gas accumulations in the two PSCs. The net attributable resource is the commercial resource attributable to Conrad after the government fiscal take.**

- **The two PSCs are Offshore North West Aceh (Meulaboh) ("ONWA") and Offshore South West Aceh (Singkil) ("OSWA"). Conrad is the Operator and holds a 100% Participating Interest in each block where it has a 30-year tenure to develop the existing discoveries and explore for additional resources.**

- **The CPRs evaluated the flow tested gas discoveries in the PSCs to address the range of potential in-place and recoverable volumes, in addition to devising conceptual development schemes.**

- **The CPR ascribes a Net Present Value ("NPV") of US$88 million to the Aceh PSCs net to Conrad on its net attributable resources of three of the discovered resources. The fourth discovery, Keudapasi, has very limited seismic data (2 lines) and was not included in the Contingent Resources at this stage. The CPR has estimated that Keudapasi has a P50 Estimated Ultimate Recovery of 30 Bcf.**

- **The Contingent Resources are located in shallow waters (54-80 meters), at shallow reservoir depths of 900-1,500 meters and in close proximity to the shoreline, near to several identified commercialisation opportunities.**

- **The gas discoveries were made in the 1970s and have all been successfully flow tested at potentially commercial rates of almost pure methane. These gas discoveries were not previously developed due to prevailing low gas prices and immature markets.**

- **The shallow water areas of ONWA and OSWA have had a historically high exploration success rate of over 30% in both PSCs, however in the wells which targeted the main prospective horizon, Upper Miocene Carbonate reefs, the success rate has been over 66% based on 1970's seismic data.**

- **Conrad intends to acquire 500 square kilometres of modern 3D seismic data in 2024 across its discoveries seeking to delineate near field, low risk drilling opportunities as well as evaluate the host of other targets in the shallow water areas. Much of the PSCs do not have seismic coverage, hence there is an expectation of identifying additional structures.**

- **The two PSCs also have excellent deep-water potential where several large structures with multi-trillion cubic feet potential have been identified. These structures have gas chimneys and flat spots displayed on seismic data, indicating evidence of the presence of potential hydrocarbons.**

- **Despite the numerous discoveries, the Aceh PSCs are classified as "frontier areas" and have been granted attractive fiscal terms which are amongst the most favourable in Indonesia.**

- **Combined with Conrad's Mako gas field in the West Natuna Sea, the two Aceh PSCs give the Company total 2C Contingent Resource of 578 Bcf (376 Bcf net attributable to Conrad) across its offshore Indonesian portfolio and represent a 75% increase in net attributable resources to those reported as at 31st December 2022 in the Company's annual report.**

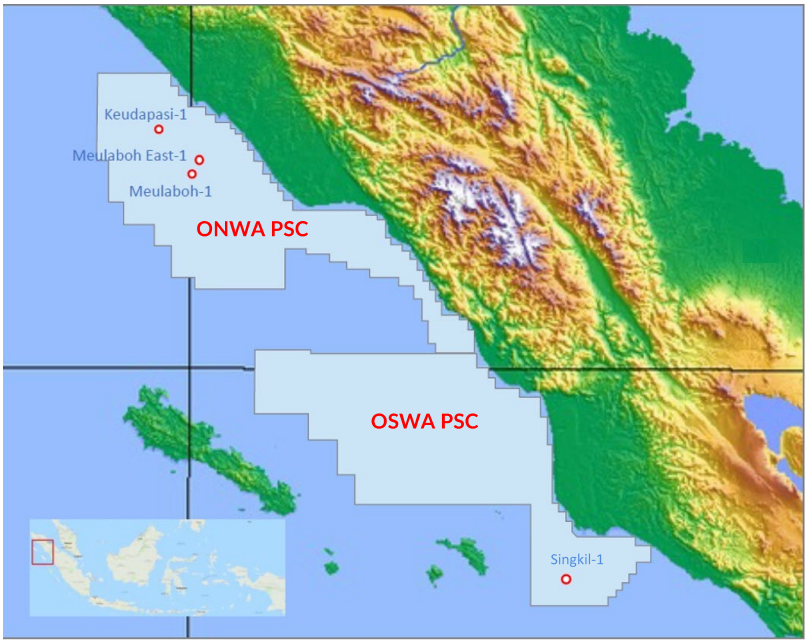
Conrad Managing Director and Chief Executive Officer, Miltos Xynogalas, commented,

"The Competent Persons Reports on the shallow water areas in the Aceh PSCs provide a basis for Conrad to evaluate the commercial possibilities for these discoveries. 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. The resource numbers and valuation ascribed in the CPR represent a material uplift to Conrad's total resource numbers and the valuation of Conrad's asset base in Asia, where it now has a host of growth opportunities that are not reliant on exploratory success.

"Apart from the discovered resources, which represent near-term development opportunities, the two PSCs also have excellent exploratory opportunities in the shallow waters which we consider low-risk, based on historic success rates. Over the coming years, Conrad hopes to roll out an inventory of shallow and deep-water drilling targets to augment the existing discoveries and continue to build our resource base. We believe there is significant upside for Conrad in the exploratory opportunities that exist in both the shallow and the deep-water areas, where, as previously announced, we have already identified a host of high impact gas plays. The deep-water areas potentially contain several multi-trillion cubic feet gas leads and prospects, with evidence of hydrocarbon accumulations from observed gas chimneys and seismic flat spots. Conrad has a 100% working interest in these blocks and will be seeking partners to participate in exploration efforts in these deeper water areas."

Conrad Chairman, Peter Botten, commented,

"The Independent Resource estimates in the shallow water areas in Aceh continue to build our gas resource inventory in Asia where the macro conditions for energy, and in particular natural gas, have continued to improve. The world has now recognised the importance of natural gas as the transition fuel in the energy market. Conrad intends to play a significant role in that transition with its flagship Mako gas project in the West Natuna Sea and the gas resources discovered in the Aceh PSCs, as well as the excellent high impact exploration opportunities in the deeper water areas of Aceh. Currently, our primary focus will be on Indonesia, the fourth most populous nation on earth and a country that is heavily dependent on affordable and secure energy sources. As Indonesia moves towards developing a more sustainable energy base, the country aims to double its gas production by 2030. Conrad's projects will be important in achieving that goal."



Location Map of offshore Aceh PSCs awarded to Conrad

Conrad Asia Energy Ltd ("**ASX:CRD"**) ("**Conrad**", or the "**Company**") engaged THREE60 Energy to produce a Competent Persons Report for the Meulaboh and Meulaboh East Discoveries in the Offshore North West Aceh and the Singkil Discovery in the Offshore South West Aceh PSCs located offshore northwest and southwest of the Aceh Province of Indonesia. Conrad operates and holds a 100% Participating Interest in both blocks. These PSCs are part of Conrad's core strategy of developing assets with the potential to supply gas to the rapidly growing Southeast Asia markets.

Conrad was awarded these blocks in January of this year when the Joint Study Areas were converted to PSCs after several years of research conducted jointly by Conrad and local universities. Due to the deep-water environment and the lack of exploration in large parts of each PSC, notwithstanding the existing discoveries in the shallow water, the blocks were deemed by

the Indonesian authorities as "frontier areas" with attractive fiscal arrangements which are favourable compared to Indonesian PSCs over blocks in more mature areas. The deeper water areas are unexplored, but recent seismic surveys have delineated leads and prospects with gas potential, with existing seismic showing flat spots and gas chimneys, indicating evidence of the presence of hydrocarbons.

The focus of the CPRs was to confirm the size and the commercial potential of several shallow-water (depths of less than 100 metres) discoveries within the ONWA and OSWA PSCs.

These shallow-water discoveries, located close to shore, were made in the 1970s and are sited in geological formations known as "pinnacle reefs". The discoveries include[1]:

- Singkil-1 (OSWA, 1973) discovered a gas column of approximately 270 ft and flowed 99% methane (CH_4) at a maximum rate of 10 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 9.9 MMscfd.

The CPR described the gases that flowed to surface as **almost pure methane** (CH_4) with very small amounts of carbon dioxide (CO_2 ~0.04%) and nitrogen (N_2 ~0.13%).

Meulaboh / Meulaboh East Discoveries (ONWA)

Two wells were evaluated in the Meulaboh Discovery resource assessment. Meulaboh-1 and Meulaboh East-2 were drilled by Union Oil in 1970 and 1975 in the Meulaboh area targeting Miocene carbonate build-ups, each with its own closure and fluid contact. A drill stem test ("**DST**") in Meulaboh-1 flowed gas at a rate of 6.7 MMscfd between the depths 3,770-3,790 ft measured depth ("**ftMD**"), while Meulaboh East-2 DST flowed at maximum rate of 9.9 MMscfd over combined tested interval depths of 3,562-3,582 and 3,586-3,592 ftMD.

Gases from the DSTs were sampled and sent to a laboratory for compositional analysis. The gases were shown to be principally methane (CH_4), with very small amounts of Carbon Dioxide (CO_2 ~0.04%) and Nitrogen (N_2 ~0.13%). The gas has a Gross Heating Value ("**GHV**"**)** of 1,015 British Thermal Units per standard cubic feet ("**BTU/scf**").

Conceptual development of the Best Estimate (P50) assumes two wells for Meulaboh Main, one well for Meulaboh East (with a subsea completion), a simple well head platform ("**WHP**") for Main and a 10", 28-kilometre (km) pipeline to shore. Gas is presumed to be sold at a delivery point immediately onshore at the current government regulated price of US$5.5 per Million British Thermal Units ("**MMBTU**"). No specific gas commercialisation options are assumed in the CPF, but such options include pipeline evacuation to the domestic market, gas to power, compressed natural gas or small-scale LNG.

Applying reasonable assumptions of capital expenditure ("**CAPEX**"), operating expenses ("**OPEX**"), and abandonment costs ("**ABEX**"), the combined Best Estimate (P50) upstream development of Meulaboh Main and East Discoveries has a NPV10 value of US$56.4 MM net attributable to Conrad, and a corresponding Internal Rate of Return ("**IRR**") of 27% assuming a Contractor Take of 72.1% (this does not account for potential 10% local state participation which could occur after Final Investment Decision ("**FID**").

There is an undrilled structure that sits in between Meulaboh and Meulaboh East which would be considered a low-risk drill target that could add to the resource base.

Singkil Discovery (OSWA)

The Singkil Discovery was made with the drilling of the Singkil-1 well by Union Oil in 1973 to test hydrocarbon potential of Miocene reef build up. The build-up was shown to contain gas over a 270 ft vertical interval. The Singkil-1 drill DST flowed 99% gas at maximum rate of 10 MMscfd from a 56 ft perforated interval between 5,034-5,090 ftMD.

The produced gas is principally methane, with small amounts of Carbon Dioxide (~0.25%) and Nitrogen (~0.6%). The gas has a GHV of ~1,010 BTU/scf.

Conceptual development of the Best Estimate (P50) case assumes two wells, a simple WHP and a 10", 28 km pipeline to shore, with production of 20 MMcf/d for 10 years.

Applying reasonable assumptions of, CAPEX, OPEX, ABEX and gas price, the Best Estimate upstream development of the Singkil Discovery generates a NPV10 of US$31.7 MM net attributable to Conrad and a corresponding IRR of 19% (this does not account for potential 10% local state participation which could occur after FID).

Technical and commercial assessments of the Meulaboh area and Singkil have been conducted within the framework and guidelines of the Society of Petroleum Engineers Petroleum Resources Management System from 2018 ("**SPE PRMS 2018**"). According to the CPR, conceptual developments have been applied to the discoveries and, hence, the status for the Contingent Resources would be project maturity sub-class "development unclarified". This would carry a probability of development in the order of 40-50%.

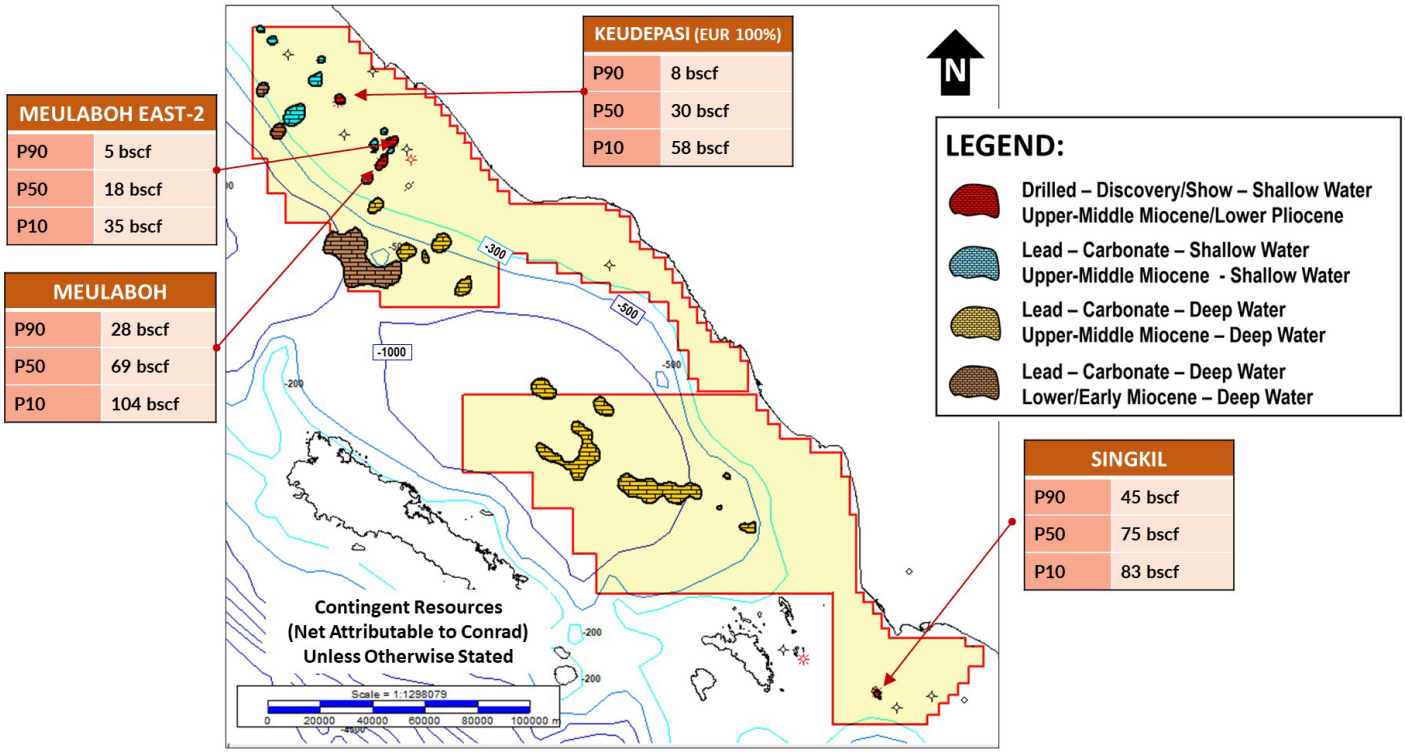
Keudapasi

The Keudapasi Discovery is located approximately 25 km to the NW of Meulaboh-1 well. It comprises a reefal build-up that encountered gas with the Keudapasi-1 well drilled by Union Oil Company in 1973. The well discovered gas at the same stratigraphic level as the Meulaboh structures and has been used as an analogue for rock and fluid property benchmarking.

The Keudepasi-1 well DST flowed gas at maximum rate of 5.34 MMscfd at depths between 2,998-3,018 ftMD. The well is believed to not have been drilled in a crestal location, and hence will be subject to further evaluation. The discovery is estimated to hold a P50 Estimated Ultimate Recovery of 30 Bcf. Seismic definition of the structure is limited to just a couple of 2D lines and, hence, project maturity is deemed too low to consider the structure as part of a combined Meulaboh development. The acquisition of new seismic data may mature the discovery to developable status. There is also an adjoining structure that lies a few hundred meters from the Keudapasi that could add further to the resource base.

Exploration Potential

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 seismic data. There are near-term local market opportunities for the shallow water gas discoveries that have already been identified by Conrad. The larger plays, located in the deeper water, have the potential to supply the burgeoning markets in Southeast 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.



Authorised by the Board.

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Qualified and Competent Person

The summary test results were prepared and approved by Dr. Mike Reeder, Director of Commercial Advisory at THREE360 Energy. Dr. Reeder holds a PhD and BSc (Hons) in Geology, is a member of the Society of Petroleum Engineers (SPE) and is a certified by the American Association of Petroleum Geologists (AAPG) as a Certified Petroleum Geologist (CPG). He has over 24 years' industry experience in Europe, the Middle East, Australasia, the Americas, Africa, Asia, and Southeast Asia. He has been involved in many oil and gas Reserves and Resources assessments both for project finance and for public reporting purposes including for the stock exchanges of Australia (ASX), London (LSE and AIM), Singapore (SGX), Malaysia (Bursa Malaysia), Hong Kong (HKEX), Shanghai (SSE), The United States (SEC) and Canada (TSX).