

31 May 2023

ASX: CRD

AGM Address by the Chairman and CEO

Chairman's Address

Welcome to you all to the first shareholder Annual General Meeting since our successful listing on the Australian Stock Exchange last October. Thank you for attending, whether you are here in person, or through a virtual presence in our meeting platform.

It has been a very big year for Conrad and there have been many highlights. Our Managing Director and CEO Milto Xynogalas will provide you a detailed presentation on operational highlights and status of our projects later in the meeting, so I will concentrate my update on some of the key strategic and policy issues that the Company is facing.

A major highlight for the year was the successful listing on the Australian Securities Exchange in October last year. At the time of listing, we were one of the largest successful IPO's in the Australian Market during the second half of 2022, completed in what was a challenging business environment. The listing was an exciting milestone and an important step in the evolution of Conrad, as we secured the necessary funds to advance our major projects.

It has been pleasing to note that our share price continues to perform solidly. We are building a strong institutional investor base, along with a diversified group of individual shareholders across the world. We are receiving more research coverage from investment banks and institutions, highlighting the value and evolution of our current asset base, and growing our industry profile through conference participation and through conventional and social media outreach. We are very much on the radar screen of industry, governments and investors and this will only grow as we progressively deliver what we say we will in milestones for our Projects.

Highlights for the last 12 months also included approval by the Indonesian Government of our revised Plan of Development for the Mako gas field, the Company's flagship asset in the Duyung PSC. We have a 76.5% operated participating interest in one of the largest undeveloped gas fields in the prolific West Natuna Basin, offshore Indonesia. The approval by the Indonesian Government of the POD has been a catalyst to accelerate negotiations for a binding Gas Sales Agreement for Mako gas, targeting customers in Singapore. It has given the Project significant momentum to commence negotiations on various commercial and environmental agreements, as well as accelerating Front End Engineering and Design (FEED) as a precursor for a Final Investment Decision targeted for the end of 2023. The Company has also embarked on a comprehensive sales process for equity in Duyung, as a way to balance our risk and reward from the development, demonstrate value, and raise money for our share of development costs. Milto will speak more on this in his presentation.

The other major announcement during the year was the signing of two new Production Sharing Contracts (PSCs) within the offshore waters of the Province of Aceh in Indonesia. Conrad holds a 100% operated participating interest in each block.

The blocks contain known gas discoveries in shallow water and at shallow reservoir depths, as well as additional prospectivity in both shallow and deep water areas of the PSCs. Over the last four years, Conrad conducted joint technical studies over these areas under a Joint Study Area (JSA) arrangement. These studies provided Conrad with a substantial technical advantage in evaluating the prospectivity of the areas, utilising local knowledge to identify a number of new prospects and leads. It demonstrates that we can punch well above our weight grade when it comes to identifying and acquiring high quality exploration and development potential.

The Aceh PSCs provide near term opportunities to develop the shallow water gas discoveries for hungry local markets. Further, in the event of exploration success, the PSCs may provide the scope to develop much larger regionally significant from what have been identified as large potential and leads in the area. Aceh represents really exciting exploration and development plays for Conrad and are ideal complementary portfolio plays to the relative low risk Mako Development.

For the balance of 2023, the Company will continue with a laser like focus on delivery of its important project and company milestones. These include:

- Conclusion of a gas sales agreement for Mako gas with Singapore customers.
- A sell down of equity in the Mako field, to balance risk reward for us in the project and raise funds for ongoing development.
- Finalising engineering, and costings in preparation for a final investment decision on Mako at the end of 2023.

Miltos will describe these in more detail in this presentation, but it is important for all shareholders to know that 2023 is a year when we absolutely focus on delivery. We know the timeline is challenging but we believe the key milestones are achievable.

As we deliver and grow, we also need to bring on new resources to the organisation, as well as enhancing our governance, processes and systems to be efficient and successful. We have very high expectations for ourselves, and we recognise that we must at least meet the expectations of our shareholders, industry partners and financiers in how we manage this company. We are not a large organisation, and we need to be careful how and when we bring on these resources and how we apply new processes, controls, and skills. We are not yet a producer and therefore have to be highly disciplined in how we use shareholder funds. We are moving to be a developer, so all the rigour of world class safety performance in our workforce, management of complex supply chains, as well as the rigor of managing capital costs in our major projects are becoming embedded in the way Conrad and its people do business. We recognise that this is a journey, but it is one that is moving fast and accelerating, as we move toward a final investment decision at Mako later this year. We need to be fully prepared.

I am pleased to announce that we have recently recruited a highly experienced Commercial Manager Diego Fettweis to our Management Team. Diego will help address the operational and commercial objectives of the Company. He comes with over 25 years of commercial and operating experience in ExxonMobil and Oil Search, to name a few, and has significant experience in gas marketing, project development, commercial areas such as stakeholder management and leadership. We are very pleased to welcome him to the Company at such an important time. We are also proud to say that we continue to build our operational capacities in Jakarta and Singapore, with a high quality and dedicated workforce. This will continue as operations accelerate.

In order to deliver the Mako Development we are increasing our capabilities in project delivery and have already built a strong, fit for purpose engineering and supply chain teams to successfully deliver Mako in a safe and environmentally responsible way.

We will also continue to review the relevant skills required at Board level, with a focus to build on our diversity, finance and governance experience, especially in the light of increasing expectations on ESG and related environmental issues applicable to us, as the Company grows.

As mentioned previously, Conrad is uniquely positioned to play a significant role in supplying energy into the rapidly growing Asia Pacific Region. This region is prognosed to account for around 60% of the global increase of use of hydrocarbons between 2021 and 2050, with gas consumption to rise by over 78%.

These are impressive numbers and with our asset base and track record, Conrad is strongly positioned, in this rapidly developing market, to grow shareholder value. We will continue to build our portfolio and maximize our advantage of being one of the few listed pure play gas companies.

In closing, I would like to thank all our stakeholders for their continued support of the Company. I would also like to thank our extremely hard working Management Team, Miltos and David especially, for the many hours and timeless dedication to delivery on our objectives. I would also like to thank our Board Members for their contributions over what has been a very busy year.

2023 is an enormous year for Conrad. We remain confident we can deliver key growth objectives for the Company and will keep our focus on predictable delivery of company milestones.

Thank you for your support and I look forward to reporting to you again next year.

CEO's Address

Good morning ladies and gentlemen and thank you for joining us today at our first AGM as a listed company. I have the pleasure of giving you a short operational update on Conrad's activities in the last year. As Peter mentioned earlier, the Company has made significant progress on several fronts in the impactful period since the last AGM.

Let's now discuss our projects in greater detail, starting from Mako. I would like to clarify that all figures stated in my speech have already been announced in the annual report and the latest quarterly report.

As previously announced, the Indonesian Government approved the Mako Gas field POD Revision, with a significant increase in contingent resources relative to the original POD and with production to commence in 2025 at up to 120 million cubic feet of gas per day. The Mako gas field is the largest undeveloped field in the West Natuna Sea. This is an area that has been supplying gas to Singapore for over two decades. Our Mako project will be an important energy source for Singapore in the future. GaffneyCline Associates has estimated the Mako field to contain a 2C contingent resource of 215 Bcf gas net attributable to Conrad. The net attributable resource is the commercial resource attributable to Conrad after the government fiscal take.

Following government approval, we advanced with FEED or Front-End Engineering Design studies for the Mako project. Three separate FEED studies were initiated for the processing facilities for the Mobile Offshore Production Unit; the Subsea Umbilicals, Risers and Flowlines; and for the Conductor Support Frame. A geophysical survey has commenced to identify any seabed and near seabed hazards and to fine-tune the pipeline route and proposed development well locations. The FEED studies and surveys are on track to be completed in the coming weeks. A geotechnical survey program including boreholes at the surface facilities and well locations will commence next month to provide important information on soil conditions for drilling rig and surface facilities stability. Once these strands of work have been integrated, a procurement process will take place for major items of project equipment. This will support the Final Investment Decision for the project that is expected in the second half of the year.

The process to acquire environmental approvals for development continues. The Indonesian government requires certain environmental permits for any company to conduct drilling or construction activities within the country. Baseline surveys are planned to be commence soon and we are targeting to complete the approval process by the third quarter.

Gas sales agreement or GSA negotiations have been a particular focus of Conrad's Board and management. Advanced tripartite discussions between the Company, a Singapore gas buyer, and the Indonesia regulator, SKK Migas are nearing conclusion, with key terms expected to be finalised this quarter. Our objective is to then complete a definitive GSA following that agreement.

How significant are these negotiations? They are crucial as they allow the Company to take advantage of an improved and favourable pricing environment given strong worldwide gas demand.

As I mentioned earlier, Conrad engaged a global investment bank to lead a farm-down process for the divestment of a portion of Conrad's interest in the Duyung Production Sharing Contract. The process is ongoing and has drawn the interest of several upstream parties. This positive sentiment underscores the merit of our strategy.

Earlier this year, Conrad signed two PSCs offshore Aceh in the North Western tip of the Sumatra island. This was a notable milestone for the Company. These blocks contain discoveries that have increased our resource base and provide Conrad the opportunity to add several additional gas projects to our portfolio and along with Mako, improve our growth profile.

We announced the completion of two competent persons reports in the shallow water areas of the two Aceh PSCs. 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's estimated a total gross 2C contingent resource of 214 billion cubic feet of sales gas (161 Bcf net attributable to Conrad) in three of the four discovered gas accumulations in the two PSCs. We are optimistic that we can further increase this estimate by continued near-field exploration efforts which also include further delineation of the fourth discovery.

The CPR ascribes a net present value (10) of US\$88 million to the Aceh PSCs net to Conrad on its net attributable resources of three of the discovered gas accumulations.

The contingent resources are located in shallow waters of 54-80 meters, at shallow reservoir depths of 900-1,500 meters and in close proximity to shore. Several possible commercialisation opportunities have been identified.

The gas discoveries, which are almost pure methane, were made in the 1970s and have all been successfully flow tested at potentially commercial rates. Due to prevailing low gas prices and immature markets at the time of operations, these discoveries were not previously developed.

The shallow water areas of ONWA and OSWA have had a historically high exploration success rate of over 30% in both PSCs. The main prospective play, Upper Miocene Carbonate reefs, has encountered even higher success rates of over 66% based on 1970s seismic data. Supported by these figures, we have much to be excited about.

Let's turn to the deep-water potential of the two PSCs. We have identified several large structures, each with multi-trillion cubic feet gas potential, in the deep-water areas of the Aceh blocks. The seismic data over these structures show gas chimneys and flat spots, indicating evidence of the presence of potential hydrocarbons.

Combined with Conrad's Mako gas field in the West Natuna Sea, the two Aceh PSCs give the Company a total 2C contingent resource of 578 Bcf, with 376 Bcf net attributable to Conrad, across its offshore Indonesian portfolio. This represents a 75% increase in net attributable resources to those reported as at December 2022 in Conrad's last annual report.

2022 was a very busy and rewarding year. We are very proud of these accomplishments and remain committed to delivering strong shareholder value.

We have much to look forward to in the coming year.

The energy sector in Asia has never been more exciting. Growing population, continuously rising living standards and higher energy demand coupled with an increasing awareness of sustainability challenges and demand for transition to cleaner energy. The Conrad energy story is one of assisting Asian countries to achieve all these goals.

I would like to thank our shareholders, our staff, our partners and contractors for their continued support as we look forward to reaching more important milestones in the coming year.

Authorised by the Board.

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