

23 February 2024

ASX:CRD

Ministerial Approval of Mako Gas Price & Allocation

Highlights

Conrad Asia Energy Ltd (**ASX:CRD**) (the “**Company**” or “**Conrad**”), an ASX-listed Asia-focused natural gas exploration and development company, is pleased to announce that the gas price and volume allocation for the Mako field project in the Duyung PSC has been approved by the Indonesian Minister of Energy and Natural Resources (the “**Minister**”). This is a significant milestone that allows Conrad to finalise fully termed Gas Sales Agreements (“**GSA**”). The Mako project will contribute to Indonesia’s target of doubling gas production by 2030.

- **SKK Migas, the Indonesian upstream regulator, has informed Conrad that the Indonesian Minister of Mining and Natural Resources (“Minister”) has issued a letter (the “Allocation Letter”) which approves the volumes and prices for gas exported and sold domestically from the Mako gas field in the Natuna Sea.**
- **The Allocation Letter is a key step in advancing the documentation for the sales of Mako gas and access to the West Natuna Transportation System (“WNTS”), as it serves as the formal basis for reserving pipeline capacity for the evacuation of Mako gas. As previously disclosed, Conrad is continuing to work with the relevant parties and SKK Migas to finalise the GSAs (with customary conditions precedent).**

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

The approval by the Minister of the Mako gas price and volume allocation is an important milestone towards the completion of the Mako GSAs. Together with the WNTS access agreements these are key requirements for a final investment decision on the Mako field development. I am very pleased to receive the continuing support from the Government of Indonesia for the development of this important gas field which will contribute to Indonesia’s objective of increasing domestic gas production and transitioning to cleaner burning fuels.

Conrad has made significant progress with the Mako gas project, including securing government approvals, maturing farm down discussions, and pushing forward with debt funding initiatives. The injection of capital from the recent successful capital raise has put us in a strong position to conclude the last outstanding issues on achieving the final investment decision.

Duyung PSC - Mako Gas Field

76.5% Participating Interest, Operator

Conrad holds a 76.5% operated interest in the Duyung PSC via its wholly owned subsidiary West Natuna Exploration Limited. Duyung is located in the Riau Islands Province, Indonesian waters in the West Natuna area, approximately 100 km to the north of Matak Island and about 400 km northeast of Singapore.

In Q3 2023, the Company signed the non-binding Term Sheet with Sembcorp, a major Singapore energy company, which outlines the key terms and serves as the basis for negotiating a definitive GSA.

SKK Migas has informed Conrad that the Minister issued the Allocation Letter authorising the volumes and prices of Mako gas for export and domestic sale.

In line with its Domestic Market Obligation (“**DMO**”) as set out in the POD, Conrad has progressed negotiations of the sales of the domestic portion of Mako gas to a domestic buyer Subject to the construction of the pipeline connecting the WNTS with Batam, Conrad intends to sell Mako gas to a domestic buyer to satisfy its DMO representing approximately 29.5% of Mako sales gas volumes. Conrad and the domestic buyer are finalising a formal agreement to govern these arrangements.

This announcement was authorised for release by the Board of Directors.

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About Conrad and its Projects

Conrad is an Asia-focused natural gas exploration & production company concentrated on the shallow waters offshore Indonesia, and via its wholly owned subsidiaries, is the holder of several operated tenements in the form of Production Sharing Contracts. The Company's flagship project is the Mako Gas Field located in the Natuna Sea in the shallow offshore waters of Indonesia. Mako lies along a large natural gas pipeline to Singapore, which supplies high-value natural gas into Singapore primarily for electricity generation. The Mako gas field is one of the largest gas discoveries in the region.

The Company specialises in the identification and acquisition of undervalued, overlooked, and/or technically misunderstood gas assets, and has developed expertise in maturing such assets through subsurface technical work, appraisal drilling and an innovative approach to low-cost field development.

The Board and management have a proven track record of value creation and deep industry experience with oil majors, mid-cap E&P and the upstream investment community, together with a successful track record of bringing exploration and development projects into production, with Peter Botten the founder and Chairman of Oil Search adding enormous depth and experience as Chairman of Conrad.

Forward Looking Statements

This document has been prepared by Conrad Asia Energy Ltd (the Company). This report contains certain statements which may constitute "forward-looking statements". It is believed that the expectations reflected in these statements are reasonable but they may be affected by a variety of variables and changes in underlying assumptions which could cause actual results or trends to differ materially, including, but not limited to: price fluctuations, actual demand, currency fluctuations, drilling and production results, reserve and resource estimates, loss of market, industry competition, environmental risks, physical risks, legislative, fiscal and regulatory developments, economic and financial market conditions in various countries and regions, political risks, project delays or advancements, approvals and cost estimates. The operations and activities are subject to joint venture, regulatory and other approvals and their timing and order may also be affected by weather, availability of equipment and materials and land access arrangements. Although Conrad believes that the expectations raised in this report are reasonable there can be no certainty that the events or operations described in this report will occur in the timeframe or order presented or at all.

There are numerous uncertainties inherent in estimating reserves and resources, and in projecting future production, development expenditures, operating expenses and cash flows. Oil and gas reserve engineering and resource assessment must be recognised as a subjective process of estimating subsurface accumulations of oil and gas that cannot be measured in an exact way.

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