

19 May 2025

ASX:CRD

Conrad increases its stake in Duyung PSC to 91.5%

Highlights

Conrad Asia Energy Ltd (ASX: CRD) (the “Company” or “Conrad”), an Asia-focused natural gas exploration and development company, is pleased to announce that the Settlement Agreement and associated documentation (“Settlement Agreement”)¹ previously agreed between the Company and West Natuna Exploration Limited (“WNEL”), its wholly owned subsidiary and operator of Duyung Production Sharing Contract (“PSC”), Coro Energy PLC (“Coro”) and Coro Energy Duyung (Singapore) Pte Ltd (referred to as “Coro Duyung”), were approved by Coro shareholders on 14 May 2025.

As previously advised in 4Q 2024, WNEL issued default notices to its Duyung co-venturers, including Coro Duyung, as per the Joint Operating Agreement (“JOA”) between the parties, for cash call arrears.

The terms of the Settlement Agreement provide for:

- The transfer of Coro Duyung’s 15.0% Participating Interest (“PI”) in the Duyung PSC to WNEL. This will bring WNEL’s total PI in the Duyung PSC to 91.5%;
- The release of Coro Duyung from any obligation to pay existing or future cash calls;
- A total cash consideration of US\$300,000 to be paid by Coro to WNEL following the approval of the settlement by the shareholders of Coro;
- Following receipt of Government Approval, the issuance to Coro of 500,000 new ordinary shares in Conrad (“Conrad Shares”). The Conrad Shares had a value of approximately US\$225,000 based on the AU\$0.75 closing share price of Conrad on 9 April 2025; and
- Within 45 days of the first commercial production in respect of the Duyung PSC, the issue of further new ordinary shares in Conrad (“Additional Conrad Shares”) to Coro with value at such time of US\$750,000. To the extent that Conrad’s or WNEL’s interest in the Duyung PSC has fallen below 20% at that time, such payment may be reduced rateably.

The Settlement Agreement is conditional on approval from Indonesia’s Ministry of Energy and Mineral Resources (“MEMR”) to the transfer by Coro Duyung of its Participating Interest to WNEL (“Government Approval”).

Discussions continue with Empyrean Energy to resolve their outstanding cash call arrears to Duyung PSC.

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

“Approval of the Settlement Agreement by Coro shareholders resolves a long-standing dispute regarding the payment of outstanding cash calls arrears between Conrad and Coro. The increase to 91.5% PI provides the company with flexibility in its farm out and project financing options thus enhancing its ability to bring the Mako project to FID.”

¹ ASX Release, “Duyung PSC Settlement Signed with Coro Energy”, 10 April 2025

Duyung PSC – Mako Gas Field

Post Transfer 91.5% Participating Interest, Operator

Upon completion of the transfer of Coro's Participating Interest, Conrad will hold a 91.5% 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 kms to the north of Matak Island and 400 kms northeast of Batam. The Mako field contains 2C Contingent Resources (100%) of 376 billion cubic feet ("**Bcf**"), of which, post transfer, 231 Bcf will be net attributable to Conrad (an increase of 38 Bcf to the volume reported in the CRD YE 2024 Annual Report²).

Authorised by the Board.

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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. 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. 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,

² Conrad Annual Report 2025, 31 March 2025.

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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All references to \$ or US\$ are in United States dollars unless stated otherwise.