

**September 2017**

## **HIGHLIGHTS**

- **Tanjung Enim Production Sharing Contract (PSC) receives Government approval for Plan of Development (POD) preparation**
- **NuEnergy executes gas supply MOU for Tanjung Enim PSC**
- **POD preparation has commenced on schedule**

## **DEPUTY EXECUTIVE CHAIRMAN'S COMMENTS**

With the key regulatory milestone achieved and endorsement received from our partners to prepare the POD, NuEnergy remains focussed on POD preparation to deliver Indonesia's first unconventional CBM supply.

## **Operations Report**

During the quarter, NuEnergy's operations were mainly focused on the POD preparation for the Tanjung Enim PSC.

Intensive dewatering and production testing were carried out on the Tanjung Enim PSC Pilot Production Program ("TEPPP") and the wells continued to demonstrate production parameters in line with the simulated model for commercial delivery. With the progress of the TEP, NuEnergy held discussions with the Indonesian Special Task Force for Upstream Oil and Gas Business Activities (commonly referred to as SKK Migas) in the last quarter to review the Exploration Status Decision ("ESD") as the first step toward the POD preparation.

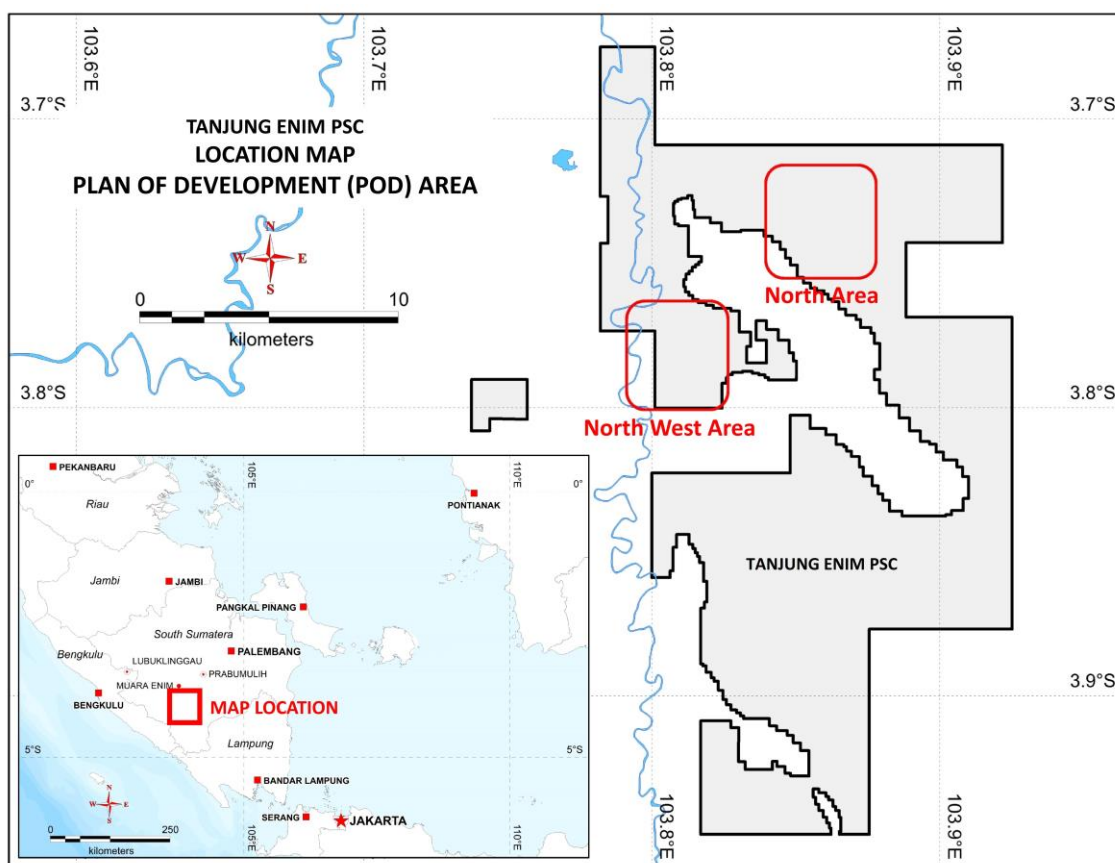
NuEnergy submitted the ESD report to SKK Migas in July 2017, which consisted of the resources estimate, POD concept and economic evaluation. This report received the approval for POD preparation in August 2017. The POD preparation process has commenced and is anticipated to take approximately 6 months. The process includes field development planning, permits, environmental impact assessment and gas sales negotiation. During the process, NuEnergy will work closely with SKK Migas and aims to submit the POD proposal to the Indonesia Ministry of Energy and Mineral Resources through the Head of SKK Migas by the end of 2017. The POD approval is anticipated during the first half of 2018. Both partners, PT Pertamina and PT Bukit Asam, two leading state-owned energy and resources companies, have given their full commitment to the POD preparation and the long-term development of the PSC.

In September 2017, NuEnergy executed a Memorandum of Understanding ("MOU") with PT Pertamina Gas ("Pertamina Gas") to investigate the supply of coal bed methane ("CBM") gas from Tanjung Enim PSC to Pertamina Gas for distribution to consumers in Sumatra. Pertamina Gas is a subsidiary of PT Pertamina, a state-owned oil and gas conglomerate and one of the joint venture partners for the Tanjung Enim PSC.

Pertamina Gas has a focus on the midstream and downstream gas industry of Indonesia with its primary activity being trading, transportation, processing and distribution and other businesses related to natural gas and their associated products. The MOU is an important step for the negotiation of the Gas Sales and Supply Heads of Agreement to agree on the main commercial terms including supply period, supply volume and price.

The proposed concept for the initial POD plans for the development in two target areas, in the north and north-west of the PSC where NuEnergy has focused its exploration, drilling and pilot production activities over the last 8 years.

## **Target Areas of the Tanjung Enim PSC (Initial POD)**



### **ABOUT NUENERGY GAS LIMITED**

NuEnergy is an independent clean energy company focused on the development of Indonesian unconventional gas assets.

We were established with the goal of providing investors with superior value by safely, reliably and sustainably supplying clean energy to meet the growing energy demands of Indonesia, one of the world's fastest growing economies and energy consuming markets.

We hold six onshore Production Sharing Contracts (PSCs), across South Sumatra, Central Sumatra and East Kalimantan. We are now fully focused on quickly moving our high value unconventional gas assets from exploration to development stage, monetizing their reserves, delivering shareholder return and in turn working capital to fund future developments and strategic acquisitions.

NuEnergy has a clear strategy to drive future growth and maximise shareholder return. We are fully committed to complete our Plan of Development (POD) on our Tanjung Enim PSC, move to commercialization and first gas production.

We are proud to be a pioneer of Indonesia's clean energy industry, helping deliver reliable and robust energy supply to the people and businesses of Indonesia. Our focused strategy ensures we will soon become a significant Indonesian gas producer, maximizing shareholder value and return at every opportunity.

#### **Shareholder Enquiries**

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