

December 2017

HIGHLIGHTS

- **Tanjung Enim PSC Plan of Development (POD) preparation underway**
- **Tanjung Enim PSC received Indonesian CBM Reserves Certification**
- **Two exploratory wells drilled in Rengat PSC to complete PSC Firm Commitment**

DEPUTY EXECUTIVE CHAIRMAN'S COMMENTS

The POD preparation has gained momentum during the quarter and with a number of processes progressing through to the final stages of the preparation. We are excited on this progress and eager to deliver the first Indonesia Coal Bed Methane ("CBM") POD.

Operations Report

During the quarter, NuEnergy's operations were mainly focused on the POD preparation for the Tanjung Enim Production Sharing Contract ("PSC") and drilling operations in the Rengat PSC.

Tanjung Enim PSC

In the previous quarter, NuEnergy received approval from the Indonesian Special Task Force for Upstream Oil and Gas Business Activities (commonly referred to as SKK Migas) to prepare the initial Plan of Development for the Tanjung Enim PSC and has formally commenced preparation for the POD. The POD preparation will take approximately 6 months to complete and during the preparation process, NuEnergy will work closely with SKK Migas to facilitate the submission of the POD proposal to the Indonesia Ministry of Energy and Mineral Resources through the Head of SKK Migas. Both partners, PT Pertamina and PT Bukit Asam, two leading state-owned energy and resources companies, have given their full commitment to progress the POD preparation.

The POD preparation has gained momentum during the quarter, with a number of processes commencing and progressing through to the final stages of the preparation that includes the resources verification and reserves certification by the Indonesia Research and Development Center for Oil and Gas Technology (commonly referred to as LEMIGAS) on the POD target development areas, the pre Front End Engineering and Design ("Pre-FEED") process on the production facilities design selection, the environmental study and other non-subsurface related survey and activities.

As an initial step of engagement with potential gas buyers, NuEnergy has executed the first Memorandum of Understanding ("MOU") with PT Pertamina Gas ("Pertamina Gas") in September 2017. Pertamina Gas is a subsidiary of PT Pertamina and has focus in midstream and downstream gas industry of Indonesia with its primary activity in trading, transportation, processing and distribution and other businesses related to natural gas and their associated products. Under the MOU, NuEnergy and Pertamina Gas have agreed to exchange information and to jointly evaluate the economic viability of CBM gas supply from Tanjung Enim PSC initial POD with the aim to utilise the CBM gas to fulfil Pertamina Gas consumer needs in Sumatra.

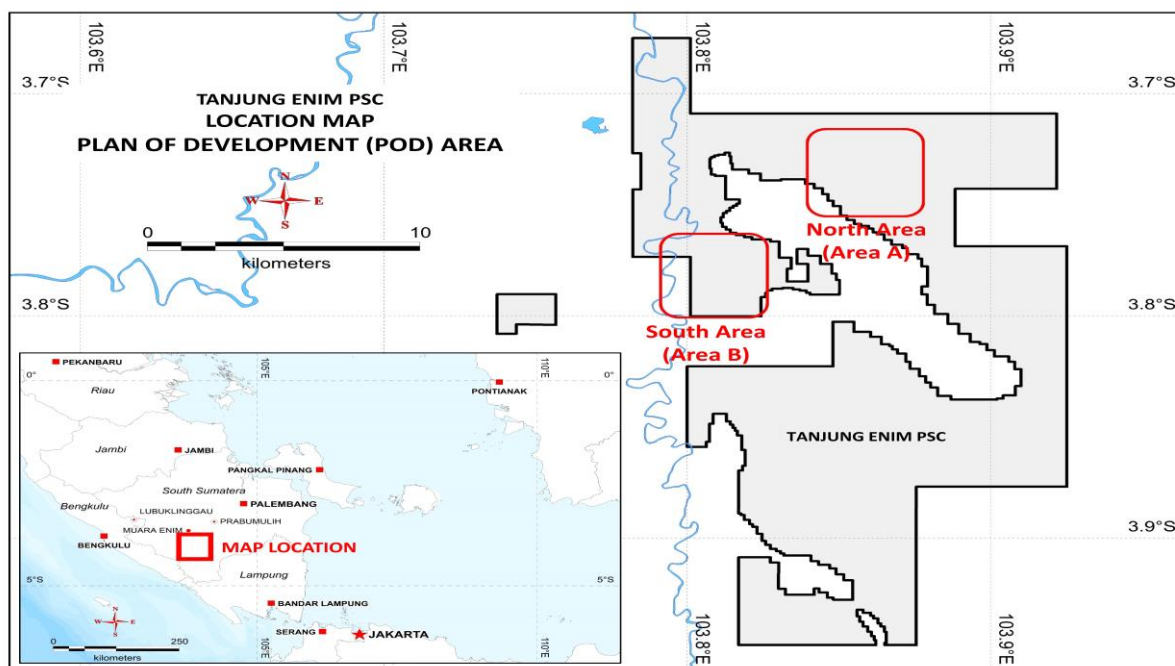
Subsequent to the quarter end, LEMIGAS completed the CBM resources verification and reserves certification on the POD target development areas. LEMIGAS is the Indonesian government research and technology institution operating in the area of upstream and downstream oil and gas business and has key roles in the development of the oil and gas industry through research, engineering and development activities. The CBM

reserves certification is one of the compulsory processes for the POD submission in Indonesia that must be administered by an Indonesian government accredited agency such as LEMIGAS.

The CBM reserves certification has confirmed 86.05Bscf for P1 and 78.84Bscf for P2 totalling ~165Bscf for the POD target development areas that has been identified in the north (Area A) and south (Area B) area of the Tanjung Enim PSC covering 33 km² that will form the basis of the overall POD proposal to be submitted to the Indonesia Ministry of Energy and Mineral Resources for approval. The confirmed reserves will enable NuEnergy to deliver about 25 MMSCFD to the market through the development of over 200 wells once the POD is approved.

For details of the LEMIGAS reserves certification, refer announcement 15 January 2018 and 19 January 2018.

Target Development Areas of the Tanjung Enim PSC (Initial POD)



With the key milestone on the CBM reserves certification achieved and the POD progressing to the final stages of the preparation, NuEnergy aims to complete and submit the POD proposal to the Indonesia Ministry of Energy and Mineral Resources by quarter one of 2018.

Rengat PSC

During the quarter, NuEnergy completed the drilling program of two exploratory wells for the purpose of fulfilling the remaining Firm Commitment for the Rengat PSC.

The Company has submitted the work completion report to SKK Migas and now is in the process to finalise and to confirm the completion of the Firm Commitment.

As there have not been attractive commercial discoveries based on the drilling programs to date, NuEnergy and SKK Migas have amicably agreed for NuEnergy to relinquish the Rengat PSC after the completion of the Firm Commitment. There will be no operational impact to NuEnergy after the relinquishment and this is in line with NuEnergy's key strategic focus on its four South Sumatra PSCs (namely Tanjung Enim PSC, Muara Enim PSC, Muara Enim II PSC and Muralim PSC) to develop and operate a large CBM supply, and to better utilise its current resources to bring these South Sumatra PSCs to development.

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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