

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

Name of entity

NuEnergy Gas Limited

ABN

50 009 126 238

Quarter ended ("current quarter")

31 December 2018

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (six months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(1,436)	(2,394)
(b) development	-	-
(c) production	-	-
(d) staff costs	-	(92)
(e) administration and corporate costs	(227)	(317)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Other (provide details if material)	(7)	(8)
1.9 Net cash from / (used in) operating activities	(1,670)	(2,811)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	-
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (six months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment	-	-
	(b) tenements (see item 10)	-	-
	(c) investments	-	-
	(d) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	-	-

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	-	-
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	-	-
3.5	Proceeds from borrowings	832	1,591
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	832	1,591

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	1,023	1,370
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,670)	(2,811)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4	Net cash from / (used in) financing activities (item 3.10 above)	832	1,591
4.5	Effect of movement in exchange rates on cash held	43	78
4.6	Cash and cash equivalents at end of period	228	228

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1 Bank balances	228	1,023
5.2 Call deposits	-	-
5.3 Bank overdrafts	-	-
5.4 Other (provide details)	-	-
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	228	1,023

6. Payments to directors of the entity and their associates

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

Current quarter \$A'000
-
-

7. Payments to related entities of the entity and their associates

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

Current quarter \$A'000
-
-

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	1,591	1,591
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

On 20 September 2018, the Company entered into a loan agreement with PT Indotech Metal Nusantara ("PTI"), a subsidiary of the ultimate parent company, Globaltec Formation Berhad to raised IDR8,161,450,000 (\$A758,980) to fund part of the coal bed methane planned exploration activities.

The conditions of the loan agreement with PTI are:-

- 1) Unsecured and repayable on demand*;
- 2) Loan shall be utilised for the drilling activities of the Production Sharing Contracts; and
- 3) Interest charge at 10% per annum on the outstanding loan and calculated on a daily and non-compounding basis and to be serviced/repaid quarterly.

On 9 November 2018 and 12 December 2018, the Company entered into a loan agreement with AIC Corporation Sdn Bhd ("AICC"), a subsidiary of the ultimate parent company, Globaltec Formation Berhad to raised USD248,000 (\$A344,266) and USD352,000 (\$A487,758) respectively to fund part of the coal bed methane planned exploration activities.

The conditions of the loan agreements with AICC are:-

- 1) Unsecured and repayable on demand*;
- 2) Loan shall be utilised for the drilling activities of the Production Sharing Contracts; and
- 3) Interest charge at 10% per annum on the outstanding loan and calculated on a daily and non-compounding basis and to be serviced/repaid quarterly.

Subsequent to the quarter end, the Company further entered into a loan agreement with AICC Corporation Sdn Bhd on 29 January 2019 to raised USD300,000 (\$A417,856) to fund part of the coal bed methane planned exploration activities.

The conditions of the loan agreements with AICC are:-

- 1) Unsecured and repayable on demand*;
- 2) Loan shall be utilised for the drilling activities of the Production Sharing Contracts; and
- 3) Interest charge at 10% per annum on the outstanding loan and calculated on a daily and non-compounding basis and to be serviced/repaid quarterly.

*The loans from PTI and AICC will repaid by NGY in first priority as soon as any future capital raising has been completed or on demand following the completion of the capital raising and the receipt of funds sufficient to meet the demand.

9. Estimated cash outflows for next quarter	\$A'000
9.1 Exploration and evaluation	400
9.2 Development	-
9.3 Production	-
9.4 Staff costs	120
9.5 Administration and corporate costs	100
9.6 Other (provide details if material)	-
9.7 Total estimated cash outflows	620

10. Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1 Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced				
10.2 Interests in mining tenements and petroleum tenements acquired or increased				

Note: The schedule of mining tenements is listed on Page 6 of this report.

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here:
Company secretary

Date: 31 January 2019

Print name: Rozanna Lee

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.

Schedule of Mining Tenements

Area of Interest	Tenements	% Interest
Victoria, Australia	Fosterville and Eppalock exploration licence (EL 3211 and 3271)	2.5% gross gold royalty
Central Sumatra, Indonesia	Rengat PSC	100%
South Sumatra, Indonesia	Muara Enim PSC	40%
South Sumatra, Indonesia	Muara Enim II PSC	30%
South Sumatra, Indonesia	Tanjung Enim PSC	45%
South Sumatra, Indonesia	Muralim PSC	50%
East Kalimantan, Indonesia	Bontang Bengalon PSC	100%