



ENERGY WORLD CORPORATION LTD.

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UPDATE ON SENGKANG LNG PROJECT

Further to the Company's recent announcements on 14 August 2012 in relation to its Sengkang LNG Project, and the arrival of major equipments and two cold boxes on site, the second shipment of major equipments including the further two cold boxes is now offshore, after a five week delay at Port Headland, Australia due to port congestion, and is awaiting to be offloaded at the end of the Indonesian national holiday. The Directors are pleased to provide the following confirmations and update regarding the Sengkang LNG Project's costs and timetable.

Although the Company has experienced earlier delays to the expected timetable for the Sengkang LNG Project pending approval by BPMigas of our Plan of Development for our WASAMBO gas fields, we have been able to avoid a 'cost blow-out' or indeed any significant increase to the budgeted total capital cost because our contracts for our land, major equipment and EPC contract were placed in 2007, 2008 and 2009.

As reported to date, total capital expenditure for the Sengkang LNG Project, that is the cost of major equipment, engineering and construction necessary for an LNG facility to enable production of 2 MTPA of LNG, is estimated to be USD 352 million, which remains materially consistent with the budget initially outlined in the Company's 2008 Annual Report. Total incurred project costs as of 30 June 2012 are approximately USD 224 million, which includes approximately USD 200 million of capital expenditure for the Sengkang LNG Project and approximately USD 24 million of additional related costs, in particular land acquisition costs and incurred and accrued finance charges.

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As announced on 17 June 2011, BPMigas approved our Plan of Development necessary for the initial production, processing and supply of gas from our WASAMBO gas fields. The scope of work under the Plan of Development envisages an estimated expenditure of up to USD 88 million (which will be cost recoverable by us through the Company receiving an increased share of gas sale proceeds). Related work programs and budgets for drilling and seismic works have been agreed with BPMigas for expenditure for the calendar years 2012 and 2013. Expenditure under this Plan of Development commenced after 30 June 2012. We expect to continue to develop our gas resource, if justified, and so incur further capital expenditure (which will also be cost recoverable) in respect of future gas field development under further Plans of Development to be agreed with BPMigas.

Our capital expenditure for our Sengkang LNG Project and the WASAMBO Plan of Development have been financed from the Company's own resources, the proceeds of our placement of shares in May 2008 and July 2011, and utilising our finance facilities. We have sufficient internal funds and facilities for the development of the first two 0.5 MTPA modular trains and our budgeted expenditure in the period to 30 June 2013. We are in discussions with financiers in relation to project finance for the Sengkang LNG Project which, if successfully arranged, should result in a portion of our equity investment being released back to the Company.

We announced in our 2011 Annual Report that our planning for the first 1 MTPA production of LNG would likely occur from second quarter 2013, with the additional modular trains, subject to satisfactory gas field development, expected to be ready to commence commercial production of LNG at three month intervals thereafter. In relation to this timetable, due to the longer than expected time to ship the equipment to site, the Company is currently reviewing this program and will announce any material revisions to this timetable to shareholders upon completion of this review.

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The estimated timetable for commercial operation for the Sengkang LNG Project remains subject to certain material risks and uncertainties, with both usual construction risks for the outstanding construction programme and country risk in relation to the legal, regulatory and physical environment of Indonesia. In particular, as referred to in the Company's 2011 Annual Report, we are in negotiations with PLN regarding the necessary supply of electricity to the Sengkang LNG Project. In addition to various permits and approvals for our project, we are required to obtain an operating licence in order to operate the Sengkang LNG Project, a condition to which is that we enter into an LNG offtake agreement. We remain in discussions with relevant third parties regarding these matters.

The above estimates and forward looking statements are based on a number of assumptions and factors, including factors beyond the Company's control and are subject to significant business risks. It should be noted that these business risks have been referred to in the Company's Annual Reports and previous announcements, and include: contractual risks associated with power, gas and LNG sales; water supply and mechanical and electrical risks associated with power generation, gas and LNG production; exploration and development risks; obtaining sufficient capital to fund projects; and obtaining appropriate licences and governmental approvals.

Yours faithfully,
For and on behalf of
ENERGY WORLD CORPORATION LTD.

Brian J. Allen
Executive Director

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