

4<sup>th</sup> December 2013

## FIRST GAS FLOWS AT MUARA ENIM PILOT WELL #2

- Gas flows recorded during well completion finalisation
- Fishbone and slotted liner completions successfully deployed and installed
- Permeability testing unit mobilised to site and coal permeability testing underway
- Pre Plan of Development approval for early production being processed by SKKMIGAS

NuEnergy Gas Limited (ASX:NGY,) ("NuEnergy") is pleased to announce the successful completion of its Muara Enim Pilot Well #2 at the Muara Enim Production Sharing Contract (PSC) Pilot Production Site in South Sumatra, Indonesia. Pilot Well #2 is located approximately 500 metres from Pilot Well #1 which has produced gas for over 300 days.

First gas flows from the Pilot Well #2 coal seams were revealed during finalisation of well completions (see image 1).

NuEnergy successfully installed fishbone completions across the J and L coal seams and installed pre perforated casing across the H, J and K coal seams, all with a view to enhance well productivity.

The permeability testing unit for Pilot Well #2 has been mobilised to site and permeability testing is underway. The well is also being prepared for connection to the pilot production plant.

NuEnergy's Pre Plan of Development application for the pilot production site going to early production and gas sales is currently being processed and finalised by Indonesia's upstream oil and gas industry regulator, SKKMIGAS.

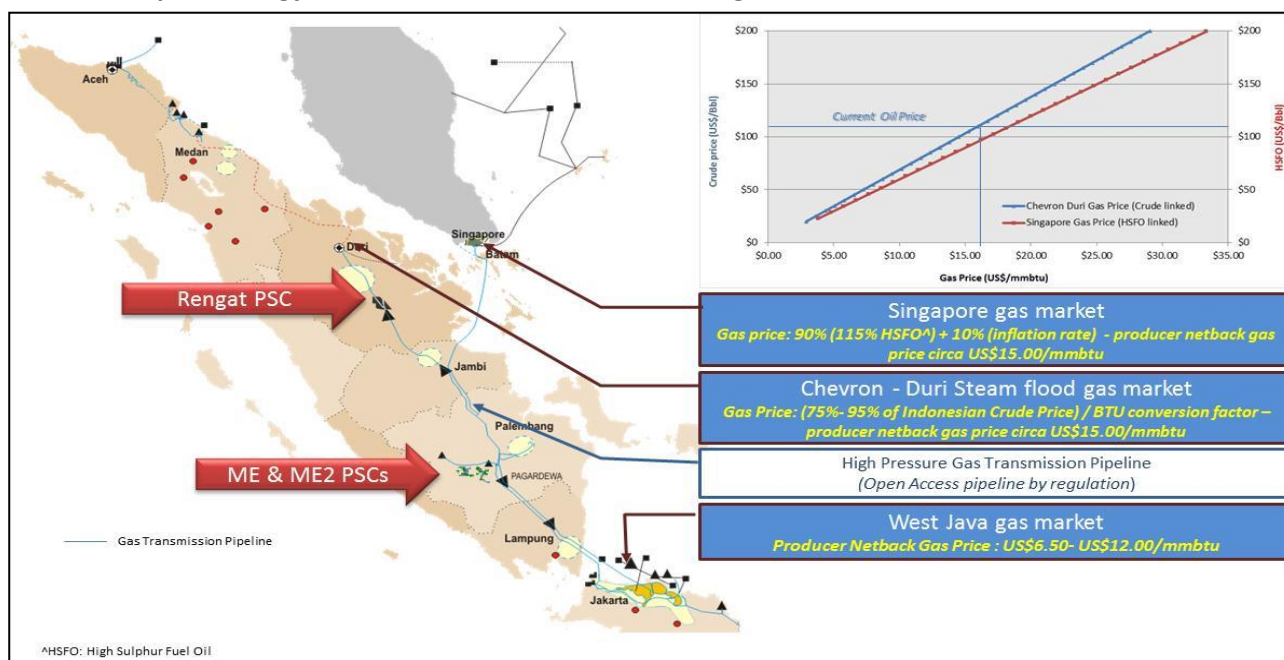


Image 1: First gas shows during Pilot Well #2 completion

NuEnergy's Chief Executive Officer Christopher Newport commented: "Early gas flow, following the successful completion of our second pilot well at the Muara Enim PSC, provides further confidence that the project is progressing towards becoming a viable gas production site that can produce cash flow for the business. The company is now focused on reaching the next step in the well's development with coal permeability testing underway and connection to the pilot production plant shortly thereafter."

NuEnergy continues to enjoy the support of its project Joint Venture partner PERTAMINA, Indonesia's national Oil Company, and together we are committed to the long term development of Muara Enim PSC. We look forward to updating shareholders on our progress and NuEnergy's broader exploration and corporate initiatives."

#### Location Map: NuEnergy's Indonesian PSC's and Surrounding Gas Infrastructure and Markets



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#### ABOUT NUENERGY GAS

NuEnergy is an emerging ASX listed gas and ancillary power generation development company with an immediate focus on establishing unconventional gas exploration & production in Indonesia and Eastern Africa.

The company's overall strategy is to rapidly prove up CBM and shale gas resources and bring these resources to production through small scale power generation, CNG and mini LNG and via connection to the local gas grid.

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NuEnergy has secured strategically located CBM and shale gas concessions in areas where there is a significantly undersupplied gas and power market and where possible where there is abundant energy infrastructure to take gas and/or power to market. NuEnergy has three operated PSCs in Indonesia, two operated CBM & shale gas joint ventures in Tanzania, an Exclusive Prospecting Licence in Malawi for CBM and shale gas and is now exploring for CBM in Mozambique.

**Shareholder Enquiries**

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