

01 March 2024

ASX:CRD

## Aceh Gas Commercialisation MOU Signed with PGN

### Highlights

Conrad Asia Energy Ltd (ASX: CRD) (the “Company” or “Conrad”), an ASX-listed Asia-focused natural gas exploration and development company, is pleased to announce that it has entered into a Memorandum of Understanding (“MOU”) with PT Perusahaan Gas Negara Tbk (“PGN”), the gas subsidiary of PT Pertamina (Persero), the national oil company of Indonesia. Under the terms of the MOU, Conrad will cooperate in the provision of gas or LNG supply and development infrastructure for gas resources from its two Aceh Production Sharing Contracts (“PSCs”) in offshore Indonesia, Offshore North West Aceh (Meulaboh) (“ONWA”) and Offshore South West Aceh (Singkil) (“OSWA”).

- On 29 February 2024, Conrad entered into a MOU with PGN to cooperate in the provision of gas or LNG supply and development infrastructure for discovered gas resources from its ONWA and OSWA PSCs offshore Aceh.
- Under the MOU, the parties will undertake a joint study to examine commercialisation options of the gas resources in the two PSCs. The existing shallow-water discoveries will be the area of initial focus. The parties will seek to cooperate in the development and maintenance of possible small-scale LNG infrastructure and sales of the LNG. The MOU also covers broader cooperation between the two parties relating to the two blocks.
- Competent persons reports (“CPRs”) estimate a gross (100%) 2C Contingent Resource of 214 Bcf of sales gas (161 Bcf net attributable to Conrad) in three of the four shallow-water discovered gas accumulations in the two PSCs<sup>1</sup>. The CPRs ascribe a net present value (“NPV”) of US\$88 million net attributable to Conrad to the Aceh PSCs<sup>1</sup>.
- This year, Conrad plans to acquire 3D seismic over the cluster of discovered resources in ONWA, which currently only has sparse 2D seismic acquired in the 1970s, in order to better define the resource size. The 3D data may also assist in identifying new prospects in the vicinity of the cluster, where vintage 2D seismic supported 70% exploration success rates in the Miocene shallow-water carbonates.
- To date, total Prospective Resources identified within the two PSCs amount to 15 trillion cubic feet (“Tcf”) of recoverable gas (P50, 100%) of which c 11 Tcf (P50) are net attributable to Conrad<sup>2</sup>. Several multi-Tcf targets have been identified in the deep-water areas which are a longer-term focus and which are attracting interest from larger upstream companies.
- The MOU is an important step towards the commercialisation of the discovered resources in the two PSCs and may become a key component of any future Plans of Development (“POD”).

Conrad Managing Director and Chief Executive Officer, Miltos Xynogalas, commented:

*Conrad has been evaluating the offshore Aceh areas for more than five years and is excited about their potential. There have been a host of major gas discoveries recently announced offshore Aceh which has brought the region back into international focus for gas exploration companies. Our PSCs lie within a proven biogenic gas region containing flow tested gas discoveries, as well as high impact deep-water exploratory potential. The shallow-water discoveries are of near-term interest for PGN and appear suitable for commercialisation via small-scale LNG plants—an already proven solution for gas deposits of this size elsewhere in Indonesia.*

<sup>1</sup> Conrad Asia Energy Ltd ASX announcements on 16 and 18 May 2023.

<sup>2</sup> Conrad Asia Energy Ltd ASX announcements on 16 November 2023.

This outcome and our collaboration with the major national gas buyer highlights the importance of the Aceh resources in Conrad's broader portfolio and underscores our commitment to support Indonesia's energy needs. This MOU with PGN is an important milestone towards the maturation of the discovered resources in the Aceh PSCs.

**ONWA & OSWA PSCs**

**100% Participating Interest, Operator**

Conrad holds 100% operated interests in both ONWA and OSWA. The two Aceh PSCs were awarded to Conrad in January 2023. The blocks together cover approximately 20,000 sq. km (Figure 1) with each PSC having a 30-year tenure.

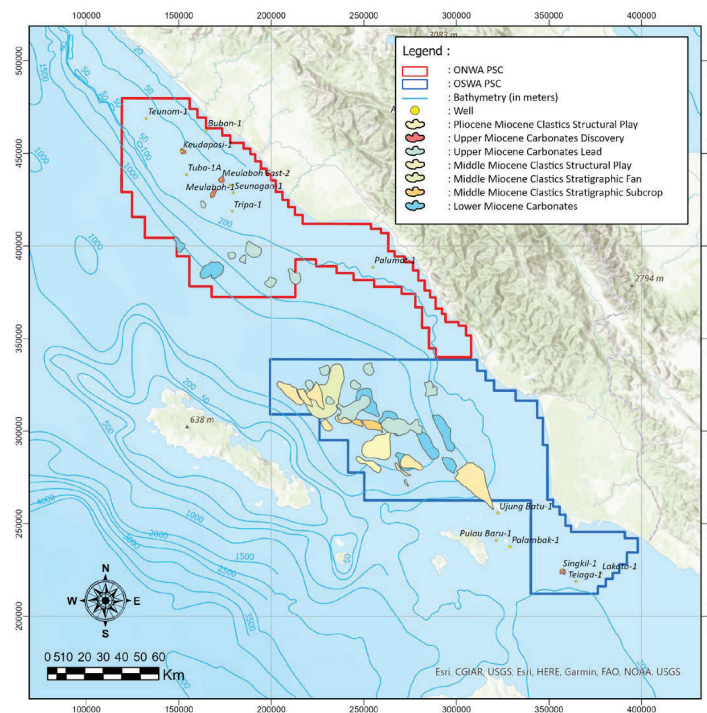


Figure 1 – Location Map of ONWA and OSWA PSCs

Conrad completed independent CPRs covering the discovered biogenic gas resources in the shallow-water areas of the Aceh PSCs. The CPRs estimate a gross (100%) 2C Contingent Resource of 214 Bcf of sales gas (161 Bcf net attributable to Conrad) in three of the four discovered gas accumulations in the two PSCs<sup>3</sup>. The net attributable resource is the commercial resource attributable to Conrad after the government fiscal take. The CPRs for ONWA<sup>4</sup> and OSWA<sup>5</sup> were prepared by THREE60 Energy and ascribed an NPV of US\$88 million net attributable to Conrad to the Aceh PSCs. Conrad has continued to identify and evaluate commercialisation options for the discovered gas resources. An independent study on these options is being conducted by THREE60 Energy and is expected to be completed during Q1 24.

As previously announced by the Company, the two Aceh PSCs also have deep-water potential where several large structures with multi-Tcf potential have been identified<sup>6</sup>. Seismic studies of these structures show gas chimneys and flat spots, providing direct indications for the presence of hydrocarbons. Conrad's internal estimate of the prospective resource potential in the

<sup>3</sup> Conrad Asia Energy Ltd ASX announcements on 16 and 18 May 2023.

<sup>4</sup> Executive Summary Competent Person's Report – Meulaboh Discovery, May 15, 2023, THREE60SUBS/INTER/02/2023-010A

<sup>5</sup> Executive Summary Competent Person's Report – Singkil Discovery, May 15, 2023, THREE60SUBS/INTER/02/2023-010B

<sup>6</sup> Conrad Asia Energy Ltd ASX announcements on 16 November 2023.

two PSCs is 15 Tcf of gas (P50, 100%) of which c 11 Tcf (P50) are net attributable to Conrad<sup>6</sup>.

## PGN MOU

On 29 February 2024, Conrad entered into a MOU with PGN to cooperate in the provision of gas or LNG supply and development infrastructure for potential resources from its ONWA & OSWA PSCs.



*Figure 2 – Conrad – PGN Aceh MOU Signing Ceremony, PGN Central Office, Jakarta  
(from left to right: Radian Hartama and Miltos Xynogalas (Conrad); Mr. Marthunis  
(representative of the Governor of Aceh); Mrs Rosa Permata Sari and Anas Pradipta (PGN))*

Established in 1965, PGN, is a leading energy company in Indonesia. With a strong commitment to provide clean and sustainable energy solutions. PGN operates an extensive natural gas pipeline network and is actively involved in: gas distribution, transmission, and exploration. In 2018, PGN became a part of PT Pertamina (Persero) as its subsidiary responsible for conducting gas and LNG business domestically and internationally. PGN's role includes infrastructure such as gas pipelines and LNG facilities.

The MOU envisages that the parties will:

- undertake a joint study for of commercialisation schemes for gas / LNG supply, initially focused on currently discovered gas resources;
- formulate a plan for developing, operating, and maintaining gas / LNG infrastructure;
- develop plans for gas / LNG marketing; and
- explore other related avenues for cooperation.

Conrad looks forward to working with PGN in exploring opportunities to commercialise the abovementioned resources.

Authorised by the Board.

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**About Conrad and its Projects**

Conrad is an Asia-focused natural gas exploration & production company concentrated on the shallow waters offshore Indonesia, and via its wholly owned subsidiaries, is the holder of several operated tenements in the form of Production Sharing Contracts. The Company's flagship project is the Mako Gas Field located in the Natuna Sea in the shallow offshore waters of Indonesia. Mako lies along a large natural gas pipeline to Singapore, which supplies high-value natural gas into Singapore primarily for electricity generation. The Mako gas field is one of the largest gas discoveries in the region.

The Company specialises in the identification and acquisition of undervalued, overlooked, and/or technically misunderstood gas assets, and has developed expertise in maturing such assets through subsurface technical work, appraisal drilling and an innovative approach to low-cost field development.

The Board and management have a proven track record of value creation and deep industry experience with oil majors, mid-cap E&P and the upstream investment community, together with a successful track record of bringing exploration and development projects into production, with Peter Botten the founder and Chairman of Oil Search adding enormous depth and experience as Chairman of Conrad.

**Forward Looking Statements**

This document has been prepared by Conrad Asia Energy Ltd (the Company). This report contains certain statements which may constitute "forward-looking statements". It is believed that the expectations reflected in these statements are reasonable but they may be affected by a variety of variables and changes in underlying assumptions which could cause actual results or trends to differ materially, including, but not limited to: price fluctuations, actual demand, currency fluctuations, drilling and production results, reserve and resource estimates, loss of market, industry competition, environmental risks, physical risks, legislative, fiscal and regulatory developments, economic and financial market conditions in various countries and regions, political risks, project delays or advancements, approvals and cost estimates. The operations and activities are subject to joint venture, regulatory and other approvals and their timing and order may also be affected by weather, availability of equipment and materials and land access arrangements. Although Conrad believes that the expectations raised in this report are reasonable there can be no certainty that the events or operations described in this report will occur in the timeframe or order presented or at all.

There are numerous uncertainties inherent in estimating reserves and resources, and in projecting future production, development expenditures, operating expenses and cash flows. Oil and gas reserve engineering and resource assessment must be recognised as a subjective process of estimating subsurface accumulations of oil and gas that cannot be measured in an exact way.

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