

12 March 2025

ASX:CRD

## Mako PSC Revised Gas Sales Arrangements

### Highlights

Conrad Asia Energy Ltd (ASX: CRD) (the “Company” or “Conrad”), an Asia-focused natural gas exploration and development company, is pleased to announce that it has received a Directive from the Indonesian Ministry of Energy and Mineral Resources (“MEMR”), including that:

- Due to the very strong growth in domestic demand for gas in Indonesia, the Indonesian MEMR has directed that all Mako Gas Field (“Mako”) gas (plateau sales gas rate of 111 billion British Thermal Units per day (“Bbtud”)) be made available for the Indonesian domestic market in Batam with the gas to be purchased PT PLN Energi Primer Indonesia (“PLN EPI” or “PLN”) a wholly owned subsidiary of PT Perusahaan Listrik Negara (Persero) (“PLN Persero”).
- PLN Persero is the Indonesian state-owned electric utility company, wholly-owned by the Government of Indonesia through the Ministry of State-Owned Enterprise. The organisation has over 7,000 power plants supplying over 89 million customers and sells over 288,000 GWh of electricity annually<sup>1</sup>.
- Conrad holds a 76.5% operating interest in the Duyung Production Sharing Contract (“PSC”) in which Mako is located, offshore in the West Natuna Sea, Indonesia.
- The Mako gas price will be linked to the Indonesian Crude Price (“ICP”), which is akin to Brent oil-linked Liquefied Natural Gas (“LNG”) pricing. This structure will be economically equivalent to the pricing previously approved for Mako gas to be sold both domestically and for export, thereby underpinning the value of gas from Mako.
- As a result of the MEMR Directive, Conrad is working to finalise a Gas Sales Agreement (“GSA”) with PLN. Conrad is coordinating closely with PLN and SKK Migas (the upstream regulator), who collectively have targeted that a GSA with PLN will be finalised during March 2025 and be signed in the coming weeks.
- In addition, MEMR has revoked its earlier allocation and pricing Directive to sell Mako gas to PT Perusahaan Gas Negara Tbk (“PGN”) and Sembcorp Gas Pte Ltd. (“Sembcorp”). The GSAs with PGN and Sembcorp will subsequently be terminated.
- The new Government of Indonesia is formulating its New Energy Plan 2024-2034 (or “New RUPTL”) under which it will prioritise gas exploration and production to meet rapidly rising domestic energy demand. Around 15 Gigawatts (“GW”) of gas power capacity across Indonesia is planned to be built until 2034, especially to support the base load capacity<sup>2</sup>.
- Conrad has five flow tested gas discoveries in Indonesia in strategic areas and is well positioned to contribute to this increased demand.
- The MEMR Directive is anticipated to support the pending farmout arrangements in Duyung and Aceh and Financial Investment Decision (“FID”) for Mako.

<sup>1</sup> PT Perusahaan Listrik Negara (Perser) company profile, <https://web.pln.co.id/statics/uploads/2024/12/COM-PRO-PLN-2023.pdf>.

<sup>2</sup> Indonesia plans to boost renewable usage in new electricity supply plan, Reuters, 11 February 2025.

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

*“The approval of the new price and allocation for the GSA between the Mako Joint Venture, the Indonesian Government and PLN is a significant event. It has taken considerable time and effort to reach this important milestone and we can now move forward with greater confidence in all our projects. Oil-linked prices for pipeline gas contracts in Indonesia have been uncommon. Approval of such a structure for Mako demonstrates the willingness of the Government of Indonesia to secure gas for local consumption whilst ensuring that the producer is not economically disadvantaged. The PLN GSA underpins the financial viability and the value of the project and aligns with Indonesia’s new energy priorities. Indonesia is the fourth most populous country in the world and has amongst the fastest growing economies in the world.*

*Mako is the first of what we expect will be several gas projects that Conrad aims to bring into commercial production from our existing portfolio of gas discoveries, including our Aceh gas resources. Asia has the fastest gas consumption growth in the world. As its economies transition away from coal to the cleaner burning natural gas and we are proud to be involved in this transition. The resultant strong gas demand in Indonesia underpins the value of our discovered resources and our investment thesis.*

*The ongoing revision to Indonesia’s energy policy highlights the importance of Mako as well as the significant potential of Conrad’s Aceh gas assets. The Government recently announced of the roll-out a US\$1.5 billion project to distribute liquefied natural gas (“LNG”) on a small scale to feed dozens of power plants now running on diesel via a unique hub-and-spoke model across Indonesia’s vast archipelago<sup>3</sup>. This has potential implications for Conrad’s discovered resources in offshore Aceh and for its previously announced small scale LNG collaboration with PGN<sup>4,5</sup>.*

*The ongoing revision in Indonesia’s energy priorities has impacted the timing of the Mako project. However, the offset positive value driver across our portfolio is significant and underscores our strategy to focus on gas. Conrad is now in a much stronger position to attract partners into all our projects and this now gives us broader financing options from domestic sources”.*

As part of the Mako project Conrad also understands that MEMR will direct PLN to build the required approximately 7 kms gas spurline with an investment value of approximately US\$50 million to link the West Natuna Transportation System (“WNTS”) with Pemping Island and subsequently to markets in Batam. The building of the pipeline and anticipated significant growth in gas demand, provides a spur to future exploration of Conrad’s Duyung PSC Prospective Resources and gives a ready means to commercialise additional gas volumes.

The new Government of Indonesia is formulating a New Energy Plan 2024-2034 under which it will prioritise gas exploration and production to meet rapidly rising domestic demand. Over the next decade, Indonesia anticipates natural gas demand to grow. In January 2025, the Energy Minister Bahlil Lahadalia confirmed, “The orientation is to supply domestic demand. If that is not met, we will not permit exports.”<sup>6</sup>.

The proliferation of data centres in Indonesia is one factor contributing to a substantial increase in energy demand (including natural gas) demand. Driven by a combination of location, infrastructure, and government incentives, Batam is emerging as a prime destination for such data centres. As an example, the Indonesian Government has established a Special Economic Zone at Nongsa Digital Park in Batam. Together with the nearby Kabil Industrial Estate, Batam is emerging as a significant hub for data centre development and is witnessing an influx of global data centre companies. Ten companies have already committed to establishing data centres at Nongsa, with nine actively constructing facilities<sup>7</sup>.

The Indonesian MEMR has also announced<sup>8</sup> that a new oil refinery with a capacity of 500,000 barrels per day is to be built on Pemping Island, Batam, Riau Islands province. MEMR explained that the Pemping Island was chosen as the location for the refinery construction given its existing and already built supporting infrastructure, including gas infrastructure.

<sup>3</sup> Indonesia embarks on long-stalled LNG push to displace diesel in power plants, Emily Chow & Fransiska Nangoy, Reuters, 07 March 2025.

<sup>4</sup> Conrad Asia Energy Ltd ASX announcement: Aceh Gas Commercialisation MOU Signed with PGN, 01 March 2024.

<sup>5</sup> Conrad Asia Energy Ltd ASX announcement: Aceh Update – Small-Scale LNG, 20 November 2024.

<sup>6</sup> Indonesia Plans to Defer LNG Cargoes as Domestic Demand Grows, Charles Kennedy, OilPrice.com, 23 January, 2025

<sup>7</sup> Batam’s Digital Boom: High Demand for Data Centers at KEK Nongsa, Batam News Asia, 19 July 2024.

<sup>8</sup> The 500,000 Barrel Capacity Refinery Will Be Built On Batam Pemping Island, <https://voi.id>, 07 March 2025

Natural gas is an essential transition fuel in the energy mix across Asia and the sale of all Mako's contingent resources gas resources represents an important project in Asia. Mako is one of several gas resources in Conrad's Asian portfolio as it continues to pursue the development of gas across the region.

The MEMR Directive is an important step in the commercialisation of Mako field, the largest undeveloped gas field in the West Natuna Sea.

#### Duyung PSC – Mako Gas Field

**76.5% Participating Interest, Operator**

Conrad holds a 76.5% operated interest in the Duyung PSC via its wholly owned subsidiary West Natuna Exploration Limited. Duyung is located in the Riau Islands Province, Indonesian waters in the West Natuna area, approximately 100 kms to the north of Matak Island and 400 kms northeast of Singapore. The Mako field contains 2C Contingent Resources (100%) of 376 billion cubic feet ("**Bcf**"), of which 187 Bcf are net attributable to Conrad<sup>9</sup>. The West Natuna Sea has been supplying Singapore with natural gas for more than two decades and Mako is expected to extend this supply for at least another decade via the existing transportation system.

The contract term is until the end of the Duyung PSC in January 2037 and allows for the sale of plateau gas rates of 111 Bbtud which is equivalent to around 111.9 mmscfd. The contract is for the entirety of Mako's 2C Contingent Resources.

The gas price will be linked to the Indonesian Crude Price ("**ICP**"), which is akin to Brent oil linked LNG pricing and will be economically equivalent to the pricing agreed approved earlier for Mako gas to be sold both domestically and for export, thereby underpinning the value of gas from Mako. This reflects the growing Indonesian domestic demand for gas.

The terms of the GSA are confidential.

A formal signing ceremony, in the presence SKK Migas representatives, will be arranged at a later date.

In parallel, negotiations on the sale / farmout of some of Conrad's Participating Interest ("**PI**") in Duyung PSC are advancing, in light of the revised contract arrangements. Gas sales clarity will allow us to close the PI sale and financing arrangements for the development of Mako field.

The timing of a Mako Final Investment Decision ("**FID**") and consequent first gas will be revised following finalisation of the above-mentioned matters.

#### PLN Background

PT PLN Energi Primer Indonesia ("**PLN EPI**") is a sub-holding of PLN Persero which was established on 21 September 2020 to ensure the availability of primary energy supplies through consolidating procurement & logistics processes, searching for primary energy sources and developing a resilient ecosystem and strong supply chain. The energy sources include but not limited to coal, gas and liquid fuel and biomass. PLN EPI will be a buyer of energy sources and will in turn provide the storage and logistic system to supply to all power plants in Indonesia giving them flexibility in balancing the energy source requirement effectively and efficiently.

Authorised by the Board.

<sup>9</sup> Conrad Annual Report 2023, 28 March 2024.

**For more information, please contact:**

Miltos Xynogalas  
Managing Director & CEO  
[investors@conradasia.com](mailto:investors@conradasia.com)  
+65 6517 9700

Jane Morgan  
Investor & Media Relations  
[jm@janemorganmanagement.com.au](mailto:jm@janemorganmanagement.com.au)  
+61 405 555 618

**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.

No representation or warranty, expressed or implied, is made by Conrad or any other person that the material contained in this report will be achieved or prove to be correct. Except for statutory liability which cannot be excluded, each of Conrad, its officers, employees and advisers expressly disclaims any responsibility for the accuracy or completeness of the material contained in this report and excludes all liability whatsoever (including in negligence) for any loss or damage which may be suffered by any person as a consequence if any information in this report or any error or omission there from. Neither Conrad nor any other person accepts any responsibility to update any person regarding any inaccuracy, omission or change in

information in this report or any other information made available to a person nor any obligation to furnish the person with any further information.

All references to \$ or US\$ are in United States dollars unless stated otherwise.