

NUENERGY GAS LIMITED

ACN 009 126 238

(NuEnergy or Company)

OFFER DOCUMENT

Renounceable Pro-Rata Entitlement Offer

1 New Share for every 2 Shares held at an issue price of \$0.035 to raise approximately \$20 million

The Entitlement Offer closes at 5pm (AEDT) on 5 May 2017

This is an important document. Please consider it carefully and contact your professional adviser if you have any queries. This document is not a prospectus and does not contain all of the information that a prospective investor would find in a prospectus or which may be required to make a decision regarding an application for New Shares offered by this document.

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CORPORATE DIRECTORY

Board

Kong Kok Keong – Chairman
Kee Yong Wah – Executive Director
Graeme Robertson – Director
Alan Fraser – Director
Goh Tian Chuan – Director
Chen Heng Mun - Director

Share Registry

Link Market Services Limited
Central Park
Level 4, 152 St Georges Terrace
Perth WA 6000
Australia

Company Secretary

Rozanna Lee

Registered Office

Suite 2.06
55 Miller Street
Pymont NSW 2009

Stock Exchange Listings

Australian Securities Exchange
Code: NGY

Website

To view annual reports, shareholder
and company information,
announcements, information on
NuEnergy's business see:
www.nuenergygas.com

Australian Company Solicitors

Cowell Clarke
Level 12
139 Macquarie Street
Sydney NSW 2000
Australia

IMPORTANT INFORMATION

This Offer Document and enclosed personalised Entitlement and Acceptance Form have been prepared by the Company. The information in this document is dated 13 April 2017 (other than the ASX Releases and Section 5 – Pro-forma of this offer Document).

No party other than the Company has authorised or caused the issue of the information in this document, or takes any responsibility for, or makes, any statements, representations or undertakings about the information in this document.

You should read the information in this document carefully and in its entirety before deciding whether to invest in New Shares. In particular, you should consider the risk factors outlined in Section 3. You should also consider the Company's other periodic and continuous disclosure announcements, annual reports and full year statutory accounts, current and historical share price, and any other Company announcements. This information may be obtained from sources including the Company's website at: www.nuenergygas.com or the ASX website at www.asx.com.au.

Eligible Shareholders

The information in this Offer Document has been prepared in accordance with section 708AA of the Corporations Act.

Eligible Shareholders are those holders of Shares who:

- are registered as a holder of Shares as at 7pm (AEDT) on 20 April 2017 (**Record Date**);
- have a registered address in Australia or New Zealand;
- are not in the United States and are neither a U.S. Person nor acting for the account or benefit of a U.S. Person; and
- are eligible under all applicable securities laws to receive this Offer Document.

No cooling off rights

There are no cooling off rights to an investment in New Shares. You cannot withdraw your Application once it has been accepted.

Entitlements trading

Entitlements are renounceable and can be traded on the ASX or otherwise transferred.

Quotation and trading of New Shares

The Company has applied for the grant by ASX of official quotation of the New Shares. It is expected that normal trading of the New Shares will commence on 15 May 2017. The Company disclaims all liability (to the maximum extent permitted by law) to persons who trade New Shares before the New Shares are listed on the Official List of ASX or receiving their confirmation of issue, whether on the basis of confirmation of the allocation provided by the Company or the Share Registry.

Not investment advice

This document is not a prospectus, nor other document regulated, under the Corporations Act and has not been lodged with ASIC. The information in this document does not constitute financial product advice and has been prepared without taking into account your particular investment objectives, financial circumstances or needs. The Company is not licensed to provide financial product advice in respect of the New Shares. The information in this document does not purport to contain all the information that you may require to evaluate a possible application for New Shares.

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Before deciding whether to apply for New Shares, you should consider whether they are a suitable investment for you, in light of your own investment objectives and financial circumstances and having regard to the merits or risks involved. If, after reading the information in this document, you have any questions about the Entitlement Offer, you should contact your stockbroker, accountant or other independent professional adviser.

Disclaimer of representations

No person is authorised to give any information, or to make any representation, in connection with the Entitlement Offer that is not contained in this document. Any information or representation that is not in this document may not be relied on as having been authorised by the Company, or its related bodies corporate in connection with the Entitlement Offer. Except as required by law, and only to the extent so required, none of the Company, or any other person, warrants or guarantees the future performance of the Company or any return on any investment made pursuant to the information in this document.

Taxation

Taxation implications will vary depending upon the individual circumstances of Eligible Shareholders. You should obtain your own independent advice before deciding whether to invest in the New Shares.

Rounding of Entitlements

Where fractions arise in the calculation of Entitlements, they will be rounded up to the nearest whole number of New Shares.

Financial information

All dollar values in this document are in Australian dollars (\$).

Over Subscriptions (Shortfall Share Offer)

Eligible Shareholders (other than Related Parties of the Company) may apply for New Shares in excess of their Entitlements during the offer period. The Shortfall offer will also remain open for one month after the Closing Date. For more information about the Shortfall and Shortfall Shares, please see Section 2.

Information availability

Eligible Shareholders in Australia and New Zealand can obtain a copy of the information in this document during the period of the Entitlement Offer on the NuEnergy website at www.nuenergygas.com or by calling the Company Secretary, Rozanna Lee, on (61) 2 8540 8748. Persons who access the electronic version of this document should ensure that they download and read the entire document. The electronic version of this document on NuEnergy's website will not include an Entitlement and Acceptance Form. A replacement Entitlement and Acceptance Form can be requested by contacting the Company Secretary.

Past Performance

Investors should note that the past share performance of the Company's Shares provides no guidance as to future price performance.

Future performance and forward looking statements

Neither the Company nor any other person associated with or representing the Company warrants or guarantees the future performance of the New Shares or any return on any investment made pursuant to the Entitlement Offer. Forward looking statements, opinions and estimates provided in the information in this document are based on assumptions and contingencies which are subject to change without notice, as are statements about market and industry trends, which are based on interpretations of current market conditions.

Forward looking statements (if any) including projections, guidance on future earnings and estimates are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance. They are subject to known and unknown risks, uncertainties and assumptions, many of which are outside the control of the Company and the Board, which could cause actual results, performance or achievements to differ materially from future results, performance or achievements expressed or implied by any forward looking statements in this document.

Governing law

This document, the Entitlement Offer and the contracts formed on acceptance of the Entitlement and Acceptance Forms are governed by the laws applicable in New South Wales, Australia. Each applicant for New Shares submits to the non-exclusive jurisdiction of the courts of New South Wales, Australia.

Foreign jurisdictions

The information in this document has been prepared to comply with the requirements of the securities laws of Australia and New Zealand.

New Zealand

The New Shares being offered under this document are being offered to Eligible Shareholders with registered addresses in New Zealand in reliance on the Financial Markets Conduct (Securities Offered under Securities Act 1978 Exemptions Recognising Overseas Regimes) Exemption Notice 2016 (New Zealand) and the Securities Act (Overseas Companies) Exemption Notice 2013 (New Zealand) issued by the New Zealand Financial Markets Authority. The information in this document is not an investment statement or prospectus under New Zealand law, and may not contain all the information that an investment statement or prospectus under New Zealand law is required to contain.

Other Jurisdictions

The information in this document does not constitute an offer in any other jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer. No action has been taken to register or qualify the Entitlement Offer, the Entitlements or the New Shares, or otherwise permit the public offering of the New Shares, in any jurisdiction other than Australia and New Zealand.

The distribution of the information in this document (including an electronic copy) outside Australia and New Zealand is restricted by law. If you come into possession of the information in this document, you should observe such restrictions and should seek your own advice on such restrictions.

Neither information in this document nor the accompanying Entitlement and Acceptance Form constitutes an offer of securities for sale in the United States or to persons that are, or are acting for the account or benefit of a U.S. Person. Neither this information nor the accompanying Entitlement and Acceptance Form may be sent, disseminated or distributed to, directly or indirectly, or relied upon by, persons in the United States or that are, or are acting on behalf of or for the account or benefit of, a U.S. Person, and it may not otherwise be distributed in the United States.

Any non-compliance with these restrictions may contravene applicable securities laws.

The Entitlements and the New Shares have not been, and will not be, registered under the Securities Act or the securities laws of any state or other jurisdiction of the United States. The Entitlements may not be taken up by persons in the United States or by persons who are, or are acting for the account or benefit of a U.S. Person, and the New Shares may not be offered, sold or resold in the United States or to, or for the account or benefit of, a U.S. Person, except in a transaction exempt from, or not subject to, the registration requirements of the Securities Act and applicable securities laws of any state or other jurisdiction in the United States. Accordingly, the New Shares may constitute "restricted securities" within the meaning of Rule s144(a)(3) under the Securities Act and, for so long as the New Shares remain restricted securities, they may not be

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deposited in any unrestricted American Depositary Receipt facility with respect to the Company's securities.

Notice to nominees and custodians

Nominees and custodians that hold Shares should note that the Entitlement Offer is available only to Eligible Shareholders. Accordingly, only nominees and custodians with registered addresses in Australia or New Zealand (or who contact or are contacted by the Company and can demonstrate to the satisfaction of the Company that their participation in the Entitlement Offer would not constitute a violation of securities laws in their jurisdiction) will be entitled to participate. With respect to the underlying beneficial holders of nominees and custodians, they may participate (wherever they reside) except to the extent that those underlying holders are:

- in the United States or US Persons (as defined in the Securities Act of 1933) or are acting for the account or benefit of any US Person except in a transaction exempt from, or not subject to, the registration requirements of the Securities Act and applicable securities laws of any state or other jurisdiction in the United States; or
- not eligible or permitted under any applicable securities laws to receive the Entitlement Offer.

The Company takes no responsibility for advising on the securities laws of any jurisdiction, or the legality of providing the Entitlement Offer to any person for whom nominees and custodians may hold Shares in the Company beneficially, or those persons acquiring a beneficial interest in New Shares as a result of the Entitlement Offer. Nominees and custodians will need to assess whether the participation (whether direct or indirect) of a beneficiary is compatible with applicable foreign laws.

Key Risk factors

An investment in NuEnergy involves general risks associated with an investment in securities quoted on a share market or securities exchange. The price of New Shares may rise or fall. There are also a number of risk factors, both specific to NuEnergy and of a general nature, which may affect the operating and financial performance of NuEnergy and the value of an investment in NuEnergy. The risk factors are described in Section 3. Before deciding to invest in NuEnergy, investors should consider those factors carefully and if they are in any doubt, should obtain their own professional advice.

In particular:

- ***Ongoing Capital Needs***

The Company requires funds to continue its operations, without which there is a material uncertainty as to its ability to continue as a going concern. In addition there is a material risk that the Company will require further funds in the future for its ongoing exploration and commercialisation activities. Further funds may not be available to the Company at all or on terms which are commercially acceptable. The Company is actively considering alternatives, which includes farming out drilling activities or a scaling down of activities pending financing becoming available.

If additional funds are raised through the issuance of new equity or equity-linked securities of the Company other than on a pro rata basis to existing Shareholders, the percentage ownership of Shareholders may be reduced. Shareholders may experience subsequent dilution. There can be no guarantee that any capital raisings will be successful.

- ***Lapsing of Exploration Periods***

Failure to complete the firm commitments or the minimum work commitments during the exploration period for a PSC will result in the revocation, penalties and loss of the applicable PSC.

Muralim PSC

The Muralim PSC exploration period expired on 2 December 2016 and the Company made an application for exploration period extension to the Indonesian Gas Regulator Satuan Kerja Khusus Pelaksana Kegiatan Usaha Hulu Minyak dan Gas Bumi (“**SKK Migas**”) and was granted an extension until the end of February 2017 to complete the required work program. The Company completed the required work program at the end of February 2017 and submitted the work completion report to SKK Migas to finalise on the process for the extension of the exploration period.

It may take approximately 6 months for SKK Migas, to provide the Company with an official notice in writing for the extension of the exploration period for the Muralim PSC. Unless and until the Company has received the official notice from SKK Migas, there is a risk that SKK Migas may revoke or fail to grant the extension.

Muara Enim II PSC

The Muara Enim II PSC exploration period expired on the 31 March 2017 and the Company has received endorsement to continue with the drilling campaign from SKK Migas beyond the expiry of the exploration period. The completion of the drilling campaign will enable the Company to make application for and to secure the extension of the exploration period. The Company expects to complete the drilling campaign before the end of May 2017. Unless the drilling campaign is completed, there is a risk that the exploration period will not be extended, penalties will be applied and the PSC will be revoked.

- ***Securing the Plan of Development***

Failure to secure the Plan of Development once all the work exploration commitments have been fulfilled during the exploration period will result in the revocation of the PSC and the loss of exploration investment expenditure that can be recovered from commercialisation. The failure to secure the Plan of Development can be due to insufficient reserves, reserves that cannot be developed economically or the failure to secure gas sales agreement.

Tanjung Enim PSC

The Tanjung Enim PSC has recently completed the Pilot Production Program and received the certification of Reserves. The main focus for the Tanjung Enim PSC from now is to prepare and secure the Plan of Development to move to full scale development for commercialisation.

Unless the Company is able to secure the Plan of Development before the end of the exploration period, the PSC will be revoked and the Company will lose all the exploration investment that can be recovered through commercialisation.

- ***Unproven Resources***

The Company’s prospective Coal Bed Methane (“**CBM**”) gas resources in relation to its Muara Enim PSC, Muara Enim II PSC and Muralim PSC are not proven or sufficiently developed to become a contingent resource for the purpose of the SPE PRMS. The estimated quantities of hydrocarbons that may be potentially recovered by the application of a future development project(s) relate to undiscovered accumulations. Any estimates have both an associated risk of discovery and risk of development. Further exploration appraisal and evaluation is required to determine the existence of a significant quantity of potentially moveable hydrocarbons.

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CHAIRMAN'S LETTER

Dear Shareholder,

NuEnergy Gas Limited - Entitlement Offer

On behalf of the Board, I invite you to participate in the 1 for 2 pro-rata renounceable offer of new ordinary shares ("**New Shares**") in NuEnergy at an offer price of \$0.035 per New Share ("**Offer Price**") to raise gross proceeds of \$20 million. The Entitlement Offer was announced to ASX on 13 April 2017.

Planning towards Commercial Development

NuEnergy achieved a significant milestone in February 2017 when the Company received the first independent certification of Reserves for its Tanjung Enim PSC Pilot Production Program ("**TEPPP**"). This Reserves Certification further confirms our belief in the future potential of the Tanjung Enim PSC asset and is the first step to unlocking substantial value to move the asset towards commercialisation.

With the results of the TEPPP 2016 work program and Reserves Certification, NuEnergy is ready for discussion with the Government of Indonesia on the Plan of Development ("**POD**"). Our main focus in the next twelve months is to prepare and secure the POD that will enable the Tanjung Enim PSC to proceed to full scale development and move NuEnergy one step closer to commercialisation.

As NuEnergy works to complete the POD submission, further exploration activities to upgrade resources and reserves will be carried out in 2017 in the other South Sumatra PSCs to prepare these PSCs for POD. With the large resource size of NuEnergy PSC portfolio in South Sumatra, the Company has the potential to develop its South Sumatra PSCs to provide the scale of operations and synergies for a large scale CBM gas supply.

Details of the Entitlement Offer

The Entitlement Offer provides an opportunity for existing Eligible Shareholders to continue participation in the growth of the Company.

Further the Offer Price represents a discount of 22% to the price of NuEnergy shares at 12 April 2017 of \$0.045. Please note that the Entitlement Offer is a renounceable offer and you will be able to sell or otherwise transfer your Entitlements.

The Entitlement Offer will close 5pm (Sydney Time) on 5 May 2017. This Offer Document and your personalised Entitlement and Acceptance Form contains all relevant information for the Entitlement Offer. However, please carefully read the Offer Document in its entirety and consult your financial adviser before making your investment decision.

In particular, you should consider the risks relating to the Offer set out in the Important Information and Key Risks sections in the Offer Document. Of significance, the Company requires funds to continue its operations without which there is a material uncertainty as to its ability to continue as a going concern. There are also material risks regarding extension of exploration periods for 2 of its PSCs.

The Board would like to encourage all Eligible Shareholders to consider the Entitlement Offer.

Yours sincerely,



Kong Kok Keong
Chairman

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SECTION 1 – KEY DATES

Event	Date (2017)
Announce Entitlement Offer, lodge appendix 3B, cleansing notice and offer document with ASX (before market opens)	13 April 2017
Letter to Shareholders and Ineligible Shareholders	18 April 2017
“Ex” date for securities trading	19 April 2017
Rights trading commences.	19 April 2017
Record Date	20 April 2017
Complete despatch of Offer Document with Entitlement and Acceptance Form and ASX announcement	26 April 2017
Rights trading ends	28 April 2017
Last day to extend the offer closing date	2 May 2017
Close of offer (5 pm)	5 May 2017
Notify ASX of under/over subscriptions	10 May 2017
Issue of New Shares under the Entitlement Offer	12 May 2017
Trading of New Share commences	15 May 2017
Last day of shortfall offer (on or before)	5 June 2017

Note: Dates and times are indicative only and subject to change. All times are AEDT.

Applicants should submit their Entitlement and Acceptance Form as soon as possible after receipt of this Offer Document and personalised Entitlement and Acceptance Form. Subject to the Corporations Act, ASX Listing Rules and other applicable laws, NuEnergy reserves the right to vary the dates of the Entitlement Offer, including extending the Entitlement Offer or accepting late applications, either generally or in particular cases, without notice.

Enquiries

If you have any queries, please call the Company Secretary on (61) 2 8540 8748 or consult your stockbroker, accountant or other independent professional adviser.

Website: www.nuenergygas.com

SECTION 2 – KEY OFFER DETAILS

Ratio for offer	1 New Share for every 2 Shares held by Eligible Shareholders on the Record Date
Size of offer	Issue of up to 575,760,690 New Shares
Issue price	\$0.035 per New Share
Record Date	20 April 2017
Funds to be raised (before costs of the Entitlement Offer)	\$20.0 million

1. **Details of the Entitlement Offer**

Eligible Shareholders are entitled to apply for 1 New Share at a price of \$0.035 per New Share for every 2 Shares held on the Record Date, subject to the terms of this Offer Document.

The Company currently has 1,151,521,379 Shares on issue.

2. **Who is entitled to participate in the Entitlement Offer**

Eligible Shareholders are entitled to participate in the Entitlement Offer.

3. **Ineligible Shareholders**

All Shareholders who are not Eligible Shareholders are ineligible shareholders (**Ineligible Shareholders**). Ineligible Shareholders will not be entitled to participate in the Entitlement Offer. The Company has determined that it would be unreasonable to extend the Entitlement Offer to Ineligible Shareholders having regard to the number of securities held by Ineligible Shareholders and the costs of complying with the legal and regulatory requirements which would apply to an offer of securities to Ineligible Shareholders in relevant jurisdictions.

The Company has appointed Berne No. 132 Nominees Pty Ltd as nominee for the purpose of s.615 of the Corporations Act (**Nominee**) which appointment has been approved by ASIC. The Nominee will receive the Entitlements of the Ineligible Shareholders and will sell those Entitlements during the rights trading period. Any net sale proceeds realised by the Nominee upon the sale of any of those Entitlements will be remitted to the Company to then pay to the Ineligible Shareholders on a pro rata basis. The Nominee may not be able to sell any or all of those Entitlements.

4. **Rights trading**

This Entitlement Offer is made on a renounceable basis such that Eligible Shareholders may sell or transfer all or part of their Entitlement. Rights trading ceases on 28 April 2017.

5. **Shortfall Share Offer**

This Entitlement Offer includes the Shortfall Share Offer that enables Eligible Shareholders (other than Related Parties of the Company) who take up their full Entitlement to apply for Shortfall Shares.

6. Related Parties

The Company's two largest shareholders GER and NCE, together hold 55.4% of the Company's Shares, have each notified the Company that they will be taking up their respective Entitlement in full.

The table below shows the current Voting Power of GER and NCE in the Company. The table provides the range of Voting Power that NCE and GER may have in the Company after the Entitlement Offer on the basis that NCE and GER have each subscribed for their full Entitlement under the Entitlement Offer. These ranges are based on the following scenarios:

- i) The Entitlement Offer is fully subscribed by all Eligible Shareholders, including GER and NCE (Scenario i)
- ii) GER and NCE take up their entitlements, and the Entitlement Offer is 50% subscribed by all other Eligible Shareholders (Scenario ii)
- iii) GER and NCE take up their entitlements, but the Entitlement Offer is 100% unsubscribed by all other Eligible Shareholders (Scenario iii)

Majority Shareholder	Voting Power in NuEnergy			
	Current	Scenario i	Scenario ii	Scenario iii
GER	27.7%	27.7%	29.9%	32.5%
NCE	27.7%	27.7%	29.9%	32.5%
Together	55.4%	55.4%	59.8%	65.0%

On 23 January 2017 GER advanced an interest bearing loan to NuEnergy in the amount of USD1,800,000.00. The interest bearing amount outstanding at the date of this Offer Document is USD1,829,282.47 or \$2,440,344.81. NuEnergy will use the amount paid by GER for its Entitlement to repay that loan in full. To avoid costs to the Company in transferring the same amount of funds to and from GER, NuEnergy will set off the loan repayment amount against the full Entitlement and GER will only pay for their full Entitlement which is the net amount after set off against the loan repayment amount.

7. Shortfall Shares

If any Eligible Shareholders do not take up their Entitlement under this Entitlement Offer, the New Shares not taken up will form the Shortfall.

This Entitlement Offer includes the Shortfall Share Offer whereby Eligible Shareholders (excluding directors and all other Related Parties of the Company) may, in addition to applying for their Entitlement, apply for Shortfall Shares.

The issue price of the New Shares to be issued pursuant to the Shortfall Share Offer is \$0.035, being the same as the Issue Price under the Entitlement Offer.

Eligible Shareholders who want to apply for Shortfall Shares should insert the number of Shortfall Shares they want to apply for in the appropriate section of the Entitlement and Acceptance Form. Any Shortfall Shares that are applied for must be paid for at the same time and in the same way that the New Shares to be issued pursuant to the acceptance of Entitlements are paid for.

The Board will determine the allocation of the Shortfall Shares to Eligible Shareholders in its discretion. However if the Shortfall Share Offer is oversubscribed then the Company will likely allocate the Shortfall Shares to Applicants on a pro rata basis.

Any money paid for Shortfall Shares that are not issued to an Eligible Shareholder who applies for them will be returned to the Eligible Shareholder without interest.

Shortfall Shares that are issued to Eligible Shareholders are intended to be issued at the same time as the New Shares issued pursuant to the acceptance of Entitlements.

Further, in accordance with Exception 3 of ASX Listing Rule 7.2, the directors of the Company reserve the right to issue New Shares under the Shortfall Share Offer to eligible Applicants at their discretion for up to 3 months after the Closing Date. This includes issuing all, part or none of the Shortfall and to whom the Shortfall will be issued. There is no guarantee that Applicants will receive any or all of the Shortfall Shares they apply for.

The Shortfall Share Offer will remain open for one month after the Closing Date. Any Shortfall Shares not applied for by Applicants pursuant to the Shortfall Share Offer within one month from the Closing Date will lapse. The Company may offer any Shortfall Shares to new investors at an issue price of not less than \$0.035, within the one month period, provided they are not Related Parties of the Company.

8. Minimum Subscription and Subscription Price

There is no minimum subscription for the Entitlement Offer.

The Company will accept payment of the amount payable for the New Shares in USD. This is because the majority of the Company's expenses and payments are made in USD and the Company will therefore save or avoid currency conversion costs which would otherwise be incurred in converting to USD. For this purpose the Company will use the exchange rate (AUD/USD) of 0.7496, being the "Last" rate as at 7pm (AEDT) quoted on Reuters on 12 April 2017.

9. Issue of New Shares

New Shares to be issued to Eligible Shareholders will be issued as soon as practicable after the Closing Date and holding statements are anticipated to be despatched within the period permitted by the Corporations Act and ASX listing rules. The issuance of New Shares under the Entitlement Offer will only be made after permission for their quotation on ASX has been granted.

Subscription money will be held in a subscription account until the New Shares are issued. This account will be established and kept by the Company on behalf of each participating Eligible Shareholder.

Interest earned on the subscription money will be for the benefit of the Company and will be retained by the Company irrespective of whether the New Shares are issued.

Shortfall Shares applied for by Applicants after the Offer has closed will be issued as soon as possible after payment has been received and in accordance with ASX Listing Rules.

10. Effect on control of the Company and potential dilution to Shareholders

Shareholders should note that if they do not participate in the Entitlement Offer, their holdings are likely to be diluted by up to 9.6%.

It is a general rule under section 606 of the Corporations Act that a person cannot acquire a relevant interest in issued voting shares in a company if because of the transaction in relation to securities, a person's voting power in the company increases from 20% or below to more than 20%. There are exceptions to that prohibition, including an acquisition pursuant to a rights issue (if the conditions of item 10 of section 611 of the Corporations Act are satisfied).

The Company reserves the right to reject or scale back any application for Shortfall Shares which it considers may result in a breach of section 606. The Company expressly disclaims

any responsibility for monitoring such applications or ensuring that Applicants to the Rights Issue do not breach section 606 as a result of participation in the Offer.

11. **Directors Interests and Participation**

Each director's relevant interest in the securities of the Company at the date of this Offer Document and their Entitlement is set out in the table below.

Director	Relevant Interest	Entitlement
Kong Kok Keong	5.92%	-
Kee Yong Wah	28.66%	5,418,453 new shares
Goh Tian Chuan	5.92%	34,056,347 new shares
Chen Heng Mun	-	-
Graeme Robertson	4.88%	4,299,670 new shares
Alan Fraser	0.38%	215,832 new shares

12. **CHESS**

The Company is a participant in CHESS, for those investors who have, or wish to have, a sponsoring stockbroker. Investors who do not wish to participate through CHESS will be issuer sponsored by the Company. Because the sub-registers are electronic, ownership of securities can be transferred without having to rely upon paper documentation.

Electronic registers mean that the Company will not be issuing certificates to investors. Instead, investors will be provided with a statement (similar to a bank account statement) that sets out the number of New Shares allotted to them under this Offer Document. The notice will also advise holders of their Holder Identification Number or Security Holder Reference Number and explain, for future reference, the sale and purchase procedures under CHESS and issuer sponsorship.

Further monthly statements will be provided to holders if there have been any changes in their security holding in the Company during the preceding month.

13. **Rights Attaching to New Shares**

The New Shares issued will rank equally with the existing ordinary shares on issue. The rights and liabilities attaching to the New Shares are set out in NuEnergy's Constitution and in the Corporations Act.

14. **Privacy Statement**

If you complete an application for New Shares, you will be providing personal information to the Company (directly or by the Share Registry). The Company collects, holds and will use that information to assess your application, service your needs as a Shareholder and to facilitate distribution payments and corporate communications to you as a Shareholder.

The information may also be used from time to time and disclosed to persons inspecting the register, bidders for your securities in the context of takeovers, regulatory bodies, including the Australian Taxation Office, authorised securities brokers, print service

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providers, mail houses and the Share Registry. You can access, correct and update the personal information that is held about you. If you wish to do so contact the Share Registry at the relevant contact details set out in this Offer Document.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the *Privacy Act 1988* (Cth) (as amended). You should note that if the information required on the application for New Shares is not provided, NuEnergy may not be able to accept or process your application.

SECTION 3 – RISKS

Introduction

The New Shares offered pursuant to the Entitlement Offer involve investors being exposed to risk. The Board strongly recommends that potential applicants examine the contents of this Offer Document and review all announcements made to the ASX, and consult their professional advisers before deciding whether to apply for New Shares pursuant to the Entitlement Offer.

There are specific risks which relate directly to NuEnergy's business. In addition, there are other general risks, many of which are largely beyond the control of NuEnergy and the Board.

The risks identified in this section, or other risk factors, may have a material impact on NuEnergy's financial performance and the market price of NuEnergy's shares.

The following summary, which is not exhaustive, represents some of the risk factors of which potential investors need to be aware.

1. ***Ongoing Capital Needs***

Further funding will be required by the Company to support its ongoing exploration and contemplated production activities and operations. There can be no assurance that funding will be available on satisfactory terms or at all. Any inability to obtain funding will adversely affect the business and financial condition of the Company and its performance, including its ability to continue as a going concern.

If additional funds are raised through the issuance of new equity or equity-linked securities of the Company other than on a pro rata basis to existing Shareholders, the percentage ownership of Shareholders may be reduced. Shareholders may experience subsequent dilution. There can be no guarantee that any capital raisings will be successful.

2. ***Lapsing of Exploration Periods***

Failure to complete the firm commitments or the minimum work commitments during the exploration period for a PSC will result in the revocation, penalties and loss of the applicable PSC.

Muralim PSC

The Muralim PSC exploration period expired on 2 December 2016 and the Company made an application for exploration period extension to the Indonesian Gas Regulator Satuan Kerja Khusus Pelaksana Kegiatan Usaha Hulu Minyak dan Gas Bumi ("**SKK Migas**") and was granted an extension until the end of February 2017 to complete the required work program. The Company completed the required work program at the end of February 2017 and submitted the work completion report to SKK Migas to finalise on the process for the extension of the exploration period.

It may take approximately 6 months for SKK Migas, to provide the Company with an official notice in writing for the extension of the exploration period for the Muralim PSC. Unless and until the Company has received the official notice from SKK Migas, there is a risk that SKK Migas may revoke or fail to grant the extension.

Muara Enim II PSC

The Muara Enim II PSC exploration period expired on the 31 March 2017 and the Company has received endorsement to continue with the drilling campaign from SKK Migas beyond the expiry of the exploration period. The completion of the drilling campaign will enable the Company to make application for and to secure the extension of the exploration period. The Company expects to complete the drilling campaign before the end of May 2017.

Unless the drilling campaign is completed, there is a risk that the exploration period will not be extended, penalties will be applied and the PSC will be revoked.

3. *Securing the Plan of Development*

Failure to secure the Plan of Development once all the work exploration commitments have been fulfilled during the exploration period will result in the revocation of the PSC and the loss of exploration investment expenditure that can be recovered from commercialisation. The failure to secure the Plan of Development can be due to insufficient reserves, reserves that cannot be developed economically or the failure to secure gas sales agreement.

Tanjung Enim PSC

The Tanjung Enim PSC has recently completed the Pilot Production Program and received the certification of Reserves. The main focus for the Tanjung Enim PSC from now is to prepare and secure the Plan of Development to move to full scale development for commercialisation.

Unless the Company is able to secure the Plan of Development before the end of the exploration period, the PSC will be revoked and the Company will lose all the exploration investment that can be recovered through commercialisation.

4. *Unproven Resources*

The Company's prospective CBM gas resources in relation to its Muara Enim PSC, Muara Enim II PSC, and Muralim PSC are not proven or sufficiently developed to become a contingent resource for the purpose of the SPE PRMS. The estimated quantities of hydrocarbons that may be potentially recovered by the application of a future development project(s) relate to undiscovered accumulations. Any estimates have both an associated risk of discovery and risk of development. Further exploration appraisal and evaluation is required to determine the existence of a significant quantity of potentially moveable hydrocarbons.

5. *Reserves and Resource Estimates*

CBM reserves/resources are only estimates and as such, the actual amount of reserves/resources may differ. There are numerous uncertainties in estimating quantities of CBM reserves/resources. Estimated quantity and value of CBM reserves/resources, by their nature, are not certain due to the various assumptions made such as geological conditions, the quality and quantity of geological data, geological judgements, and historical production records from the producing area as well as adjacent producing areas in the sedimentary basin.

CBM reserves/resources estimations are not exact calculations of the actual deposits in the reservoir, but are rather an analysis of the results from the core samples. In this respect, even though the sampling density is high, the sample population may be limited compared to the mass of the entire reservoir. Therefore, any estimation for CBM reserves/resources based on the sample data may not match the actual reserves/resources.

CBM reserves/resources estimations performed by geological surveys may require revision should there be new information available and the key assumptions underlying those

estimates may change. In turn, they may affect the economics of our CBM project, which would in turn have a material impact on the Company's financial condition and results of operations.

6. **Exploration and Development Risks**

The business of oil and gas exploration, project development and production, by its nature, contains elements of significant risk with no guarantee of success. Ultimate and continuous success of these activities is dependent on many factors such as:

- 6.1 the discovery and/or acquisition of economically recoverable reserves;
- 6.2 access to adequate capital for project development;
- 6.3 design and construction of efficient development and production infrastructure within capital expenditure budgets;
- 6.4 securing and maintaining title to interests;
- 6.5 obtaining consents and approvals necessary for the conduct of oil and gas exploration, development and production;
- 6.6 securing suitable plant and equipment, during period of oil and gas boom in exploration/production activity, given the equipment utilisation rates are high, hence competition for such equipment may also be high;
- 6.7 access to competent operational management and prudent financial administration, including the availability and reliability of appropriately skilled and experienced employees, contractors and consultants.
- 6.8 delay or not able to obtain land access rights.

Whether or not income will result from projects undergoing exploration and development programs depends on successful exploration and establishment of production facilities. Factors including costs, actual hydrocarbons and formations, flow consistency and reliability and commodity prices affect successful project development and operations.

Drilling activities carry risk as such activities may be curtailed, delayed or cancelled as a result of weather conditions, mechanical difficulties, shortages or delays in the delivery of drilling rigs or other equipment.

There is no assurance that any exploration on current or future interests will result in the discovery of an economic deposit of gas. Even if an apparently viable deposit is identified, there is no guarantee that it can be economically developed.

7. **Gas Price Volatility**

The demand for, and price of gas is highly dependent on a variety of factors, many of which are beyond the control of the Company. Gas prices are to some extent set by the Indonesian Government and can fluctuate in Indonesia.

Given the current fledgling state of the CBM and shale gas industries, there is likely to be volatility in energy prices which may result in a sharp and long-lasting decline in prices.

Fluctuations in commodity prices and, in particular, a material decline in the gas, CBM and shale gas price may have a material adverse effect on the Company's business, financial condition and results of operations.

8. **Country Risk**

The Company's operations are in Indonesia whose economy is subject to many global and internal forces beyond the control of the Company. The Company will be subject to multi-jurisdictional compliance with governmental regulations in relation to licence conditions, the environment and operational conduct.

Operating in foreign countries such as Indonesia has inherent risks, many of which are beyond the control of the Company.

9. **Changes in Government Policies and Legislation**

Industry in Indonesia is subject to the policies which are implemented by their respective Governments. These policies may have a material impact on the business of the Company. The Governments may, for instance, amend or repeal legislation or regulations which the Company relies upon to conduct its operations, tariff laws, withdraw subsidies or forms of preferential treatment such as tax benefits or favourable financing arrangements.

The Company is unable to predict the effect of additional or amended laws and regulations that may be adopted in the future, including whether any such laws or regulations would materially increase the Company's cost of doing business or affect its operations in any area.

10. **Legal Considerations**

The legal systems of Indonesia differ from that of the Australian legal system. Therefore, the ability of the Company to enforce and protect its legal rights (with respect to enforcing rights and obligations under contract, for example) may differ according to the jurisdiction in which the Company is seeking to enforce such remedies. This will especially be the case if Indonesia is not a signatory to any international treaties which seek to protect foreign companies' and investors' investment interests. There is accordingly a risk that the Company will not be able to enforce or protect its legal rights against counterparties or third parties, particularly where such enforcement is sought against government bodies or bodies that are related to or associated with the government.

There is also a risk that the Indonesian government or appropriate judicial body will not recognise, or may seek to revoke at its absolute discretion, the Company's ownership of or right to use: assets, any title (proprietary or otherwise) or legal rights that it may have against counterparties and third parties, including where such parties are government bodies or bodies are related to or associated with the government. There is also a risk that the Company will be exposed to challenges against its ownership and right to use of such assets, title and rights. This may include the failure by government of Indonesia to enforce international treaties (if applicable) which otherwise might provide protection to the Company's ownership or other rights with respect to the relevant assets.

11. **Foreign Investment Requirements**

NuEnergy has interest in PT Trisula CBM Energi ("Trisula") and PT Coal Bed Methane Power Indonesia ("PT Coal") via its group controlled entities which are substantially owned foreign entities in Indonesia. Trisula and PT Coal are specific project vehicle in Indonesia to conduct the broader range of operations and logistics management.

Indonesia has strict foreign exchange controls which need to be considered as far as repatriation of funds to Australia and elsewhere is concerned. These controls may have an adverse effect on the financial position, financial performance, cash flows, growth prospects, ability to pay dividends and the share price of the Company.

12. **Fluctuation of Indonesian Rupiah**

The external value of the rupiah is affected by changes in policies of the respective governments and to international economic and political developments. As some of the

expenditure for the Indonesia PSCs are paid in rupiah, the volatility in, and in particular, the appreciation of, the value of the Indonesian rupiah could have an adverse effect on the Company's operations and accordingly, its cash flow planning as NuEnergy sources of funding is mostly in Australian dollars and USD.

13. **Timing Considerations**

In Indonesia it may take as long as ten (10) years to get from a discovery to commercial gas flow. As such, there is a risk that the initial investment will not get to the production stage. Such uncertainties as to timing may affect the Company's operations and accordingly, its cash flow and profitability.

14. **Joint Venture Parties, Contractors and Contractual Disputes**

The Company is unable to predict the risk of:

- 14.1 financial failure or default by a participant in any joint venture to which the Company may become a party; or
- 14.2 insolvency or other managerial failure by any of the operators and contractors used by the Company in its exploration activities; or
- 14.3 insolvency or other managerial failure by any of the other service providers used by the Company or its operators for any activity.

If any contractual obligations are not complied with when due, in addition to any other remedies which may be available to other parties, this could result in dilution or forfeiture of interests held by the Company.

15. **Industry Risks**

Industry operating risks include fire, explosions, unanticipated reservoir problems which may affect field production performance, industrial disputes, unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment, mechanical failure or breakdown, blow outs, pipe failures and environmental hazards such as accidental spills or leakage of liquids, gas leaks, ruptures, discharges of toxic gases or geological uncertainty (such as lack of sufficient sub-surface data from correlative well logs and/or formation core analyses). The occurrence of any of these risks could result in legal proceedings against the Company and substantial losses due to injury or loss of life, damage to or destruction of property, natural resources or equipment, pollution or other environmental damage, clean-up responsibilities, regulatory investigation, and penalties or suspension of operations. Damage occurring to third parties as a result of such risks may give rise to claims against the Company.

16. **Foreign Exchange Risk**

The operations of the Company will be in Indonesia and the costs of and revenues from operations will be in Indonesian rupiah and/or USD. As the Company's financial reports will be presented in Australian dollars, the Company will be exposed to the volatility and fluctuations of the exchange rate between the Indonesian rupiah, the USD and the Australian dollar. The causes of such fluctuations are beyond the control of the Company.

17. **Environmental Risks**

The Company's activities will be subject to the environmental risks inherent in the oil and gas industry. The Company will be subject to environmental laws and regulations in connection with operations it may pursue in the oil and gas industry. Environmental compliance is an ongoing liability of the Company. The Company may be the subject of accidents or unforeseen circumstances that could subject the Company to extensive liability.

18. **Retention of key business relationships**

There can be no assurance that the Company's existing relationships (such as with contractors, joint venture and farm-in parties and regulatory and governmental departments) will continue to be maintained or that new ones will be successfully formed and the Company could be adversely affected by changes to such relationships or difficulties in forming new ones. Any circumstance, which causes the early termination or non-renewal of one or more of these key business alliances or contracts, could adversely impact the Company, its business, operating results and prospects.

19. **Competition**

The Company will compete with other companies, including major oil and gas companies. Some of these companies have greater financial and other resources than the Company and, as a result, may be in a better position to compete for future business opportunities. In addition new entrants may commence CBM exploration and development in Indonesia. There can be no assurance that the Company can compete effectively with these companies.

20. **Insurance**

Insurance against all risks associated with oil and gas production is not always available or affordable. The Company will maintain insurance where it is considered appropriate for its needs however it will not be insured against all risks either because appropriate cover is not available or because the Board considers the required premiums to be excessive having regard to the benefits that would accrue. Initially, the Company will not maintain insurance against operational, political or environmental risks.

21. **General risk factors**

Investors should be aware that the market price of the Shares may be subject to many unpredictable factors which affect share investments in general, service providers to the oil and gas, marine and renewable energy industries and the Company. General trends in the local and international share markets, local and world economic conditions including the level of economic growth, inflation, interest rates and investor sentiment could all impact on the price of the Shares.

22. **Economic Risks**

Factors such as inflation, currency fluctuations, interest rates, supply and demand of capital and industrial disruption have an impact on business costs, commodity prices and stock market prices. The Company's operating costs, possible future revenues and future profitability can be affected by these factors, which are beyond the control of the Company.

23. **Market Conditions**

Share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as, general economic outlook, interest rates and inflation rates, currency fluctuations, changes in investor sentiment toward particular market sectors, the demand for, and supply of, capital and terrorism or other hostilities.

24. **Reliance on Key Personnel**

The responsibility of overseeing the day-to-day operations and the strategic management of the Company depends substantially on its senior management and its key personnel. There can be no assurance given that there will be no detrimental impact on the Company if one or more of these employees cease their employment.

25. ***Investment Speculative***

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the Company's securities.

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SECTION 4 – USE OF FUNDS & ASX RELEASES

SOURCES AND USES OF FUNDS

The following table shows the funds currently available to the Company and to be raised under the Offer assuming that the Offer is fully subscribed and fully unsubscribed (but including GER and NCE taking up their Entitlements) together with the intended use of those funds.

Source of Funds	Fully Subscribed	Fully Unsubscribed ¹
Cash on hand	\$0.5 million	\$0.5 million
Total funds raised under the Offer ²	\$20.0 million	\$11.1 million
Total funds budgeted to be available	\$20.5 million	\$11.6 million
Use of Funds		
Plan of Development preparation	\$2.0 million	\$2.0 million
Exploration, appraisal activities and incidental costs	\$14.1 million	\$5.2 million
Working capital	\$4.3 million	\$4.3 million
Estimated costs of the Offer	\$0.1 million	\$0.1 million
Total budgeted use of funds	\$20.5 million	\$11.6 million

¹ But includes take-up by GER and NCE

² Include funds received as loan and set off against payment for Entitlement by GER as set out in Section 2.

ASX RELEASES

The following is a list of ASX releases made in the last 3 months. Refer to the Company's website or the ASX website for a complete list of the Company's ASX releases in the last 12 months.

ANNOUNCEMENT	DATE
Cleansing Notice	13 April 2017
Appendix 3B	13 April 2017
Announcement (Entitlements Offer)	13 April 2017
Muara Enim II Production Sharing Contract Exploration Period	3 April 2017
Half Year Report and Accounts	15 March 2017
Muralim PSC Exploration Period – Update	2 March 2017
NuEnergy receives Reserves Certification	22 February 2017
Quarterly Activities Report	19 January 2017

SECTION 5 – PRO-FORMA

Set out below is the historical Consolidated Statement of Financial Position of NuEnergy as at 31 December 2016 (which has been extracted from the Company's 31 December 2016 Half Yearly Financial Report) and the pro-forma Consolidated Statement of Financial Position of NuEnergy as at 31 December 2016 (which represents the historical Consolidated Statement of Financial Position as at 31 December 2016 adjusted for funds raised under the Entitlement Offer assuming that the Offer is fully subscribed and fully unsubscribed (but including GER and NCE taking up their entitlement), and Entitlement Offer expenses as set out in Section 4 of this document as if those transactions had taken place on 31 December 2016).

	Half Year Consolidated 31 December 2016	Pro Forma Consolidated 31 December 2016 Fully Subscribed	Pro Forma Consolidated 31 December 2016 Fully Unsubscribed *
	\$	\$	\$
ASSETS			
Cash and cash equivalents	475,911	20,375,911	11,462,077
Other receivables and prepayments	390,908	390,908	390,908
Total current assets	866,819	20,766,819	11,852,985
Available for sale financial assets	17,409	17,409	17,409
Plant and equipment	133,869	133,869	133,869
Exploration and evaluation	46,469,329	46,469,329	46,469,329
Other financial assets	673,212	673,212	673,212
Total non-current assets	47,293,819	47,293,819	47,293,819
Total assets	48,160,638	68,060,638	59,146,804
LIABILITIES			
Other payables	1,682,511	1,682,511	1,682,511
Employee benefits	83,145	83,145	83,145
Total current liabilities	1,765,656	1,765,656	1,765,656
Deferred tax liabilities	2,196,372	2,196,372	2,196,372
Provisions	10,000	10,000	10,000
Total non-current liabilities	2,206,372	2,206,372	2,206,372
Total liabilities	3,972,028	3,972,028	3,972,028
	44,188,610	64,088,610	55,174,776
EQUITY			
Share capital	95,001,949	114,901,949	105,988,115
Reserves	6,276,164	6,276,164	6,276,164
Accumulated losses	(57,219,950)	(57,219,950)	(57,219,950)
Equity attributable to owners of the Company	44,058,163	63,958,163	55,044,329
Non-controlling interests	130,447	130,447	130,447
Total equity	44,188,610	64,088,610	55,174,776

* - But includes take-up by GER and NCE

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SECTION 6 – HOW TO APPLY

1. The Entitlement Offer

Eligible Shareholders are offered the opportunity to subscribe for 1 New Share for each 2 Shares held at 7pm (AEDT) on 20 April 2017 at the Issue Price per New Share.

The Entitlement Offer is being made pursuant to provisions of the Corporations Act which allow entitlement offers to be offered without a prospectus or other regulated offer document. As a result, it is important for Eligible Shareholders to read and understand the information on NuEnergy and the Entitlement Offer made publicly available, prior to taking up all or part of their Entitlement. In particular, please refer to this document, NuEnergy's interim and annual reports and other announcements made available at www.nuenergygas.com and www.asx.com.au.

Your Entitlement is set out on the accompanying Entitlement and Acceptance Form and has been calculated as 1 New Share for each 2 Shares you hold as at the Record Date, rounded up to the nearest whole New Share. If you have more than one holding of Shares, you will be sent more than one personalised Entitlement and Acceptance Form and you will have separate Entitlements for each separate holding. New Shares issued under the Entitlement Offer will rank pari passu with issued Shares.

Note: The Entitlement stated on your personalised Entitlement and Acceptance Form may be in excess of the actual Entitlement you may be permitted to take up where, for example, you are holding Shares on behalf of U.S. Person (as defined under Regulation S under the United States Securities Act of 1933, as amended, the "Securities Act") ("**U.S. Persons**").

2. Consider the Entitlement Offer in light of your particular investment objectives and circumstances

Please consult with your stockbroker, accountant or other independent professional adviser if you have any queries or are uncertain about any aspects of the Entitlement Offer. You should also refer to "Section 3 – Risks" and the ASX Releases referred to in this Offer Document and accessible on the ASX website at: www.asx.com.au.

3. Options available to you

If you are an Eligible Shareholder, you may take any of the following actions:

- take up all or part of your Entitlement; or
- sell all or part of your Entitlement to persons meeting certain eligibility criteria:
 - on ASX; or
 - by transferring it directly to another person; or
- do nothing and let your Entitlement lapse.

4. If you wish to take up all or part of your Entitlement

If you decide to take up all or part of your Entitlement, your full Entitlement, or your full Entitlement and also apply for Shortfall Shares, please complete and return the Entitlement and Acceptance Form with the requisite Application Monies OR pay your Application Monies via Bpay by following the instructions set out on the Entitlement and Acceptance Form.

If you wish to apply for Shortfall Shares you must have first taken up your full Entitlement.

The Company will treat you as applying for as many New Shares as your payment will pay for in full. If you are paying by Bpay, please make sure to use the specific Biller Code and unique Customer Reference Number (**CRN**) on the back of your personalised Entitlement and Acceptance Form. If you receive more than one personalised Entitlement and Acceptance Form, please only use the CRN specific to the Entitlement on that Form.

If you take no action you will not be allocated New Shares and your Entitlement will lapse. Your Entitlement to participate in the Entitlement Offer is renounceable and will form part of the New Shares available under the Shortfall Shares Offer, be tradeable or otherwise transferable. Shareholders who do not take up their Entitlements in full or in part will not receive any payment or value for those Entitlements they do not take up.

If you take up and pay for all or part of your Entitlement before the close of the Entitlement Offer you will be allotted your New Shares as soon as possible after the closing date and no later than 12 May 2017.

The Company reserves the right (in its absolute discretion) to reduce the number of New Shares allocated to Eligible Shareholders, or persons claiming to be Eligible Shareholders, if their claims prove to be overstated or if they or their nominees fail to provide information to substantiate their claims.

5. If you wish to sell all or part of your Entitlement on ASX

If you wish to sell all or part of your Entitlement on ASX, you should instruct your stockbroker and provide details as requested from your personalised Entitlement and Acceptance Form. Allow sufficient time for your instructions to be carried out by your stockbroker. Please note you may incur brokerage if you choose to sell your Entitlement on ASX.

Entitlement trading on ASX starts at 10.00am (Sydney time) on 19 April 2017 (ASX code: NGYR) and ceases 4.00pm (Sydney time) on 28 April 2017. There is no guarantee that there will be a liquid market for Entitlements. A lack of liquidity may impact your ability to sell your Entitlement on ASX and the price you may be able to achieve.

The Company will have no responsibility and disclaims all liability (to the maximum extent permitted by law) to you if you trade your Entitlement before the Entitlements are allotted, or before you receive your personalised Entitlement and Acceptance Form, whether on the basis of confirmation of the allocation provided by NuEnergy or the NuEnergy share registry or failure to maintain your updated details on the share registry or otherwise.

If you wish to sell part of your Entitlement on ASX and let the balance form part of the Shortfall Share Offer, follow the procedures above in respect of the part of your Entitlement you wish to sell on ASX, and do nothing in respect of the balance. You will not receive anything for the Entitlement you do not sell or take up.

Prices obtainable for Entitlements may rise and fall over the Entitlement trading period and will depend on many factors including the demand for and supply of Entitlements on ASX and the value of NuEnergy Shares relative to the Offer Price. If you sell your Entitlements in the Entitlement trading period, you may receive a higher or lower amount than a shareholder who sells their Entitlements at a different time in the Entitlement trading period.

If you sell your Entitlement, you will forgo any exposure to increases or decreases in the value of the New Shares had you taken up that Entitlement. Your percentage shareholding in NuEnergy will also be diluted.

6. If you wish to transfer all or part of your Entitlement other than on ASX

For issuer sponsored shareholders only, if you wish to transfer all or part of your Entitlement other than on ASX, you must forward a completed Renunciation and Acceptance Form to the NuEnergy Share Registry in relation to the part of your Entitlement

that you wish to transfer. If the transferee wishes to take up all or part of the Entitlement transferred to them, they must send their Application Monies together with the Entitlement and Acceptance Form related to the Entitlement transferred to them to the NuEnergy share registry.

You can obtain a Renunciation and Acceptance Form from the Company or from your stockbroker. The Renunciation and Acceptance Form as well as the transferee's Application Monies and the Entitlement and Acceptance Form related to the Entitlement transferred to them must be received by the NuEnergy share registry no later than 5.00pm (Sydney time) on 5 May 2017.

If the NuEnergy share registry receives both a completed Renunciation and Acceptance Form and an application for New Shares in respect of the same Entitlement, the transfer will take priority over the application.

If you wish to transfer part of your Entitlement and allow the balance to form part of the Shortfall Share Offer, follow the procedures above in respect of the part of your Entitlement you wish to transfer, and do nothing in respect of the balance. You will not receive anything for the Entitlements you do not sell or take up.

If you transfer your Entitlement, you will forgo any exposure to increases or decreases in the value of the New Shares had you taken up that Entitlement. Your percentage shareholding in NuEnergy will also be diluted.

You may only transfer your Entitlement in this way to a purchaser whose address is in Australia or New Zealand, who is not in the United States and is not acting for the account or benefit of a person in the United States. Persons that are in the United States or that are acting for the account or benefit of a person in the United States will not be eligible to purchase, trade, take up or exercise Entitlements. You should inform any transferee of these restrictions.

7. **Acceptance of the Entitlement Offer**

The method of acceptance of the Entitlement Offer will depend on your method of payment being:

- by Bpay; or
- by cheque, bank draft or money order.

By completing and returning your personalised Entitlement and Acceptance Form with the requisite Application Monies or making a payment by Bpay, you will be deemed to have acknowledged, represented and warranted that you are an Eligible Shareholder.

By completing and returning your personalised Entitlement and Acceptance Form with the requisite Application Monies or making a payment by Bpay, you will also be deemed to have acknowledged, represented and warranted for yourself and on behalf of each person on whose account you are acting that you:

- acknowledge that you have read and understand this Offer Document and your personalised Entitlement and Acceptance Form in their entirety;
- agree to be bound by the terms of the Entitlement Offer, the provisions of this Offer Document, and NuEnergy's constitution;
- authorise NuEnergy to register you as the holder(s) of New Shares allotted to you;
- declare that all details and statements in the personalised Entitlement and Acceptance Form are complete and accurate;

- declare you are over 18 years of age and have full legal capacity and power to perform all of your rights and obligations under the personalised Entitlement and Acceptance Form;
- acknowledge that once NuEnergy receives your personalised Entitlement and Acceptance Form with the requisite Application Monies or payment by BPAY® you may not withdraw your application or funds provided, except as allowed by law;
- agree to apply for and be issued up to the number of New Shares specified in the personalised Entitlement and Acceptance Form for which you have submitted the Application Monies or made a payment by BPAY® at the Offer Price per New Share;
- authorise NuEnergy, the NuEnergy share registry and their respective officers or agents to do anything on your behalf necessary for the New Shares to be issued to you, including to act on instructions of the NuEnergy share registry upon using the contact details set out in your personalised Entitlement and Acceptance Form;
- declare that you were the registered holder(s) at the Record Date of the Shares indicated on your personalised Entitlement and Acceptance Form as being held by you on the Record Date;
- acknowledge that the information contained in this Offer Document and your personalised Entitlement and Acceptance Form is not investment advice nor a recommendation that New Shares are suitable for you given your investment objectives, financial situation or particular needs;
- acknowledge that this Offer Document is not a prospectus, does not contain all of the information that you may require in order to assess an investment in NuEnergy and is given in the context of NuEnergy's past and ongoing continuous disclosure announcements to ASX;
- acknowledge the statement of risks in "Section 3 – Risks" of this Offer Document and that investments in NuEnergy are subject to risk;
- acknowledge that none of NuEnergy, or their respective related bodies corporate and affiliates and their respective directors, officers, partners, employees, representatives, agents, consultants or advisers, guarantees the performance of NuEnergy, nor do they guarantee the repayment of capital;
- agree to provide (and direct your nominee or custodian to provide) any requested substantiation of your eligibility to participate in the Entitlement Offer and of your holding of Shares on the Record Date;
- agree to provide (and direct your nominee or custodian to provide) any requested substantiation or your eligibility to participate in the Entitlement Offer and of your holding of Shares on the Record Date;
- authorise NuEnergy to correct any errors in your personalised Entitlement and Acceptance Form or other form provided by you;
- are an Eligible Shareholder and are not in the United States and are not a U.S. Person, and are not acting for the account or benefit of, a U.S. Person and are not otherwise a person to whom it would be illegal to make an offer or issue New Shares under the Entitlement Offer;
- acknowledge that the Entitlements and the New Shares have not been, and will not be, registered under the Securities Act or the securities laws of any state or other jurisdictions in the United States, and accordingly, the New Shares may not be offered, sold or otherwise transferred except in accordance with an available

exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and any other applicable securities law;

- have not and will not send any materials relating to the Entitlement Offer to any person in the United States or that is, or is acting for the account or benefit of a U.S. Person; and
- if you are acting as a nominee or custodian, each beneficial holder on whose behalf you are submitted the Entitlement and Acceptance Form is resident in Australia or New Zealand and is not in the United States and is not acting for the account or benefit of a person in the United States, and you have not sent this Offer Document, the Entitlement and Acceptance Form or any information relating to the Entitlement Offer to any such person.

8. **Payment by Bpay**

For payment by Bpay please follow the instructions on the personalised Entitlement and Acceptance Form. You can only make a payment via Bpay if you are the holder of an account with an Australian financial institution that supports Bpay transactions.

Please note that should you choose to pay by Bpay:

- you do not need to subject the personalised Entitlement and Acceptance Form but are taken to make the declarations on that Entitlement and Acceptance Form; and
- if you do not pay for your full Entitlement, you are deemed to have taken up your Entitlement in respect of such whole number of New Shares which is covered in full by your Application Monies.

It is your responsibility to ensure that your Bpay payment is received by the share registry by no later than 5pm (AEDT) on 5 May 2017. You should be aware that your financial institution may implement earlier cut-off times with regards to electronic payment, and you should therefore take this into consideration when making payment.

Any Application Monies received for more than your final allocation of New Shares will be refunded by the Company in accordance with the Corporations Act where applicable. No interest will be paid to Applicants on any Application Monies received or refunded.

If payment is made by BPAY® the Entitlement and Acceptance Form is not required to be completed as the payment of the application money is deemed to be acceptance by the Shareholder. The Directors' decision as to whether to treat the acceptance as valid and how to construe, amend or complete the Entitlement and Acceptance Form is final.

9. **Payment by cheque, bank draft or money order**

For payment by cheque, bank draft or money order, you should complete your Entitlement and Acceptance Form in accordance with the instructions on the Form and return it accompanied by a cheque, bank draft or money order in Australian currency for the amount of the Application Monies, payment to NuEnergy Gas Limited-Entitlements Issue Account and cross "Not Negotiable".

Your cheque, bank draft or money order must be:

- for an amount equal to the Issue Price multiplied by the number of New Shares that you are applying for; and
- in Australian currency drawn on an Australian branch of a financial institution.

You should ensure that sufficient funds are held in relevant account(s) to cover the Application Monies as your cheques will be processed on the day of receipt. If the amount of your cheque for Application Monies (or the amount for which the cheque clears in time for allocation) is insufficient to pay in full for the number of New Shares you have applied

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for in your personalised Entitlement and Acceptance Form, you will be taken to have applied for such lower number of whole New Shares as your cleared Application Monies will pay for (and to have specified that number of New Shares on your Entitlement and Acceptance Form). Alternatively, your application will not be accepted.

Any application Monies received for more than your final allocation of New Shares will be refunded by the Company in accordance with the Corporations Act where applicable. No interest will be paid to Applicants on any Application Monies received or refunded.

Cash payments will not be accepted. Receipts for payment will not be issued.

As indicated in Section 2, the Company will also accept payment in USD at an exchange rate (AUD/USD) of 0.7496. Eligible Shareholders wishing to pay in USD should contact the Company by calling the Company Secretary, Rozanna Lee on (61) 2 8540 8748 to make arrangement to do so. The Company has established a USD subscription account specifically for any applications in USD.

10. **Delivery**

To participate, your payment must be received no later than the close of the Entitlement Offer, on 5pm (AEDT) on 5 May 2017. Shareholders who make payment via cheque, bank draft or money order should mail their completed personalised Entitlement and Acceptance Form together with Application Monies using the reply paid or self-addressed envelope provided with this document, or mail to:

NuEnergy Gas Limited
C/- Link Market Services Limited
GPO Box 3560
Sydney NSW 2001

or by hand to:

NuEnergy Gas Limited
C/- Link Market Services Limited
1A Homebush Bay Drive
Rhodes NSW 2138

(Please do not use this address for mailing purposes)

SECTION 7 – GLOSSARY OF TERMS

Applicant means an Eligible Shareholder who submits an Entitlement and Acceptance Form and in the case of the Shortfall Share Offer includes any new investor acceptable to the Company (and who is not a Related Party of the Company).

Application means an application by way of a completed Entitlement and Acceptance Form.

Application Money means the money received from Applicants in respect of their Application.

ASIC means the Australian Securities and Investments Commission.

Associate means an associate for the purpose of Chapter 6 of the Corporations Act.

ASX means the ASX Limited (ABN 98 008 624 691) or the market it operates, as applicable.

ASX Releases means the documents lodged by NuEnergy with ASX as contained in Section 4.

Board means NuEnergy's board of directors.

Closing Date means 5pm (AEDT) on 5 May 2017.

Company or **NuEnergy** means NuEnergy Gas Limited ACN 009 126 238.

Corporations Act means the *Corporations Act 2001* (Cth).

Eligible Shareholder means a person who is a Shareholder at the Record Date, and whose registered address is in Australia or New Zealand and who is permitted by applicable securities laws to receive this Offer Document.

Entitlement means for Eligible Shareholders, a right to subscribe for up to 1 New Share for each 2 Shares held on the Record Date.

Entitlement Offer means the offer to all Eligible Shareholders of a renounceable right to subscribe for up to 1 New Share for each 2 Shares held on the Record Date at the Issue Price.

Entitlement and Acceptance Form means the entitlement and acceptance form attached to this Offer Document.

Financial Benefits has the same meaning as in the Corporations Act.

GER means Globaltec Energy Resources Sdn Bhd, a Malaysian company.

Issue Price means \$0.035 per New Share.

NCE means New Century Energy Resources Limited, a company incorporated in the Cayman Islands.

New Shares means the Shares being offered pursuant to the Entitlement Offer.

Offer Document means this document.

Official List means the official list of ASX.

PSC means production sharing contract.

Record Date means 7pm (AEDT) on 20 April 2017.

Related Party means a related party for the purposes of the Corporations Act.

Relevant Interest has the same meaning as in the Corporations Act.

Share means a fully paid ordinary share in the capital of NuEnergy.

Shareholder means a person who is the registered holder of Shares.

Shortfall or **Shortfall Shares** means the number of New Shares for which valid applications in response to the Entitlement Offer and Shortfall Share Offer under this Offer Document have not been received by the Closing Date.

Shortfall Share Offer means the offer to Eligible Shareholders (other than Related Parties of the Company) to subscribe for any New Share not taken up under the Entitlement Offer, pursuant to the terms set out in this Offer Document.

SPE PRMS means the Petroleum Management Resources System sponsored by the Society of Petroleum Engineers, the American Association of Petroleum Geologists, the World Petroleum Council and the Society of Petroleum Evaluation Engineers.

USD means United States Dollars, the lawful currency of the United States of America.

Voting Power has the same meaning as in the Corporations Act.

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