

June 2018

HIGHLIGHTS

- **NuEnergy submitted first Plan of Development**
- **Muralim PSC granted Exploration Period extension for four years**

DEPUTY EXECUTIVE CHAIRMAN'S COMMENTS

NuEnergy achieved a major milestone by submitting the first Plan of Development (“POD”) Coal Bed Methane (“CBM”) project in Indonesia. The submission underlines the value of our unconventional assets and we are looking forward to commencing full field development and achieving our First Gas Sales.

Operations Report

During the quarter, NuEnergy’s operations were mainly focused on the Plan of Development (“POD”) submission for the Tanjung Enim Production Sharing Contract (“PSC”).

Tanjung Enim PSC

South Sumatra, Indonesia

NuEnergy Interest: 45%

Operator: Dart Energy (Tanjung Enim) Pte Ltd (a subsidiary of NuEnergy)

During the quarter, NuEnergy submitted the first POD for the Tanjung Enim Field (“POD I”) within the Tanjung Enim PSC to the Head of the Indonesian Special Task Force for Upstream Oil and Gas Business Activities (commonly referred to as SKK Migas). After a final review, SKK Migas will submit it to the Indonesia Ministry of Energy and Mineral Resources for approval. The POD I submission follows months of preparation and evaluation since August 2017 by NuEnergy in close collaboration with SKK Migas and our partners, PT Pertamina and PT Bukit Asam. This POD I submission represents a key regulatory milestone in the development of the Tanjung Enim PSC. The POD I submission also signifies the first CBM POD in Indonesia.

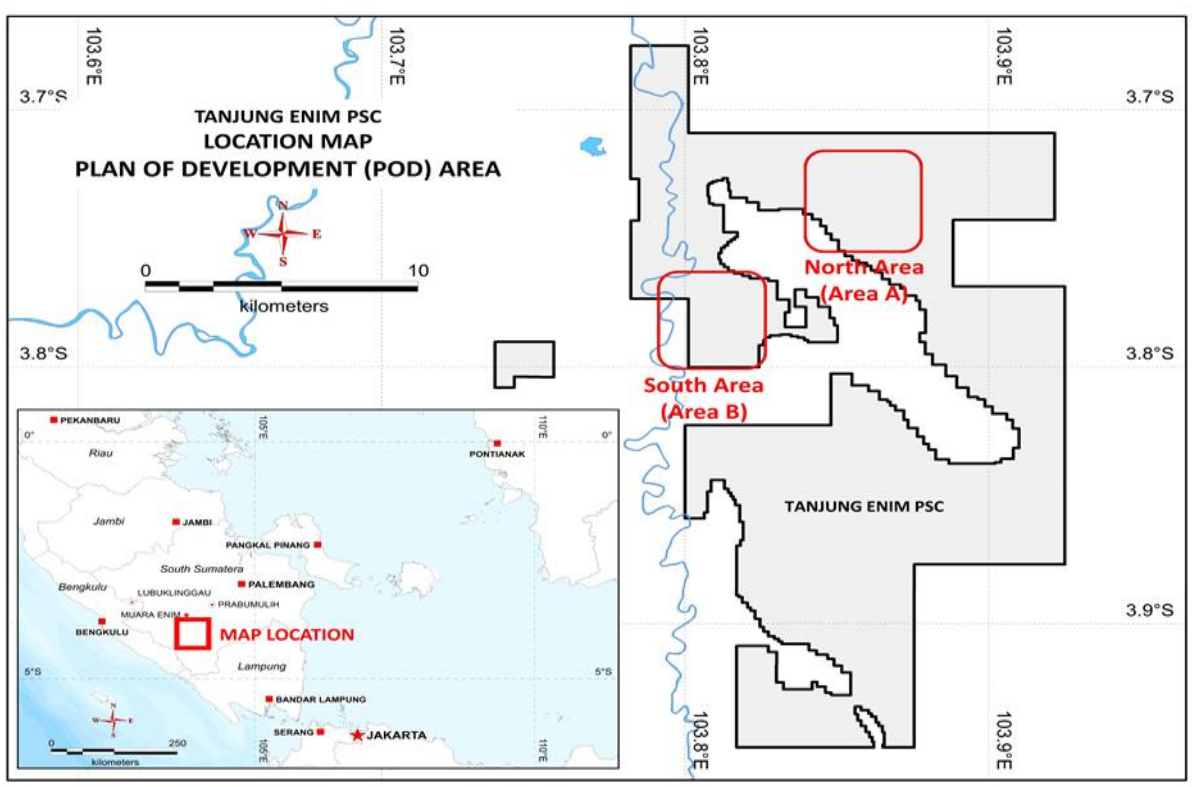
The proposed POD I plans for the development in two target areas, in the north and south of the PSC covering ~ 33km² (or 13% of the total PSC acreage) where NuEnergy has focused its exploration, drilling and pilot production activities over the last 8 years. The Indonesia Research and Development Center for Oil and Gas Technology (commonly referred to as LEMIGAS) has confirmed and certified reserves totalling ~164.89 Bscf in these two target development areas.

The proposed POD I plans for the development of 209 wells in the identified north and south areas where the gas will be transported through a new 24km pipeline to be built as part of the POD I to the north of the PSC linking the nearby existing infrastructures including PT Pertamina Gas (commonly referred to as Pertagas) transmission pipeline situated in the north of the PSC which has greater market access and flexibility to the Palembang area. NuEnergy signed a Memorandum of Understanding (“MOU”) for off take sales with Pertagas in September 2017 to explore the gas supply from the Tanjung Enim PSC and the Company will now progress negotiations on commercial terms. The proposed POD I plans for the gas production and delivery to plateau at 25 MMSCFD for 10 years.

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For details of the MOU with Pertamina and LEMIGAS reserves certification, refer ASX announcements made on 28 September 2017 and 19 January 2018 respectively. In accordance with ASX Listing Rule 5.43.2, NuEnergy confirms that it is not aware of any new information or data that materially affects the information included in Annexure 1 and the ASX announcement made on 19 January 2018, and that all material assumptions and technical parameters underpinning the estimates in same continue to apply and have not materially changed.

Tanjung Enim PSC POD I Target Development Areas



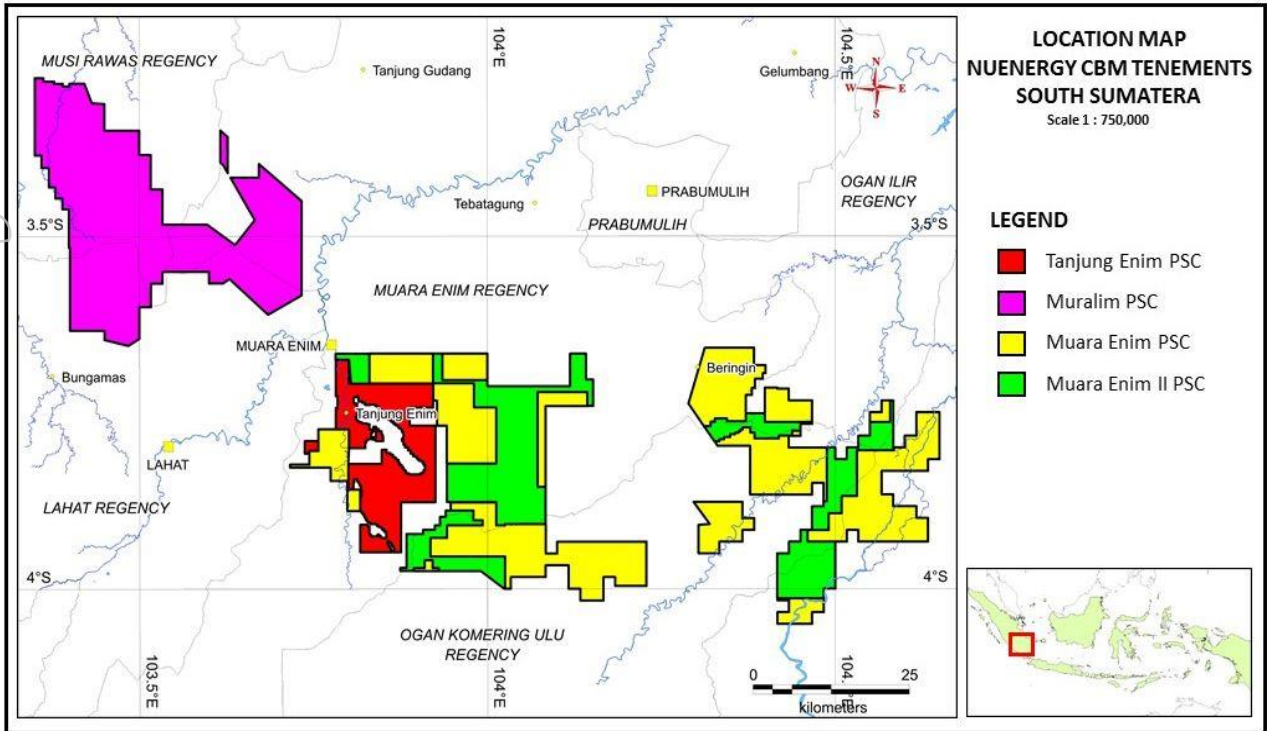
Muralim PSC
South Sumatra, Indonesia
NuEnergy Interest: 50%
Operator: Dart Energy (Muralim) Pte Ltd (a subsidiary of NuEnergy)

During the quarter, SKK Migas granted the Exploration Period extension to the Muralim PSC for four years to 2 December 2020 after NuEnergy successfully completed drilling one exploratory well and conducted permeability tests on two existing wells in the first quarter of 2017 as part of the program to fulfil the PSC commitments to apply for the Exploration Period extension.

The program will also enable NuEnergy to improve the understanding of the coal characterisation to the eastern part of the Muralim PSC where the other NuEnergy South Sumatra PSCs are located. NuEnergy's PSCs in South Sumatra cover a total area of 2,280 km² (after full relinquishment under the terms of the PSC) and are situated in one of most prolific CBM basins in Indonesia, each near major gas export pipelines, underutilised gas infrastructure and high-volume under supplied markets. NuEnergy has the potential to develop and operate a large scale CBM supply in South Sumatra with the Tanjung Enim PSC, Muara Enim PSC, Muara Enim II PSC and Muralim PSC located in close proximity to one another.

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The Muralim PSC located among NuEnergy South Sumatra PSCs



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ABOUT NUENERGY GAS LIMITED

NuEnergy is an independent clean energy company focused on the development of Indonesian unconventional gas assets.

We were established with the goal of providing investors with superior value by safely, reliably and sustainably supplying clean energy to meet the growing energy demands of Indonesia, one of the world's fastest growing economies and energy consuming markets.

We hold six onshore Production Sharing Contracts (PSCs), across South Sumatra, Central Sumatra and East Kalimantan. We are now fully focused on quickly moving our high value unconventional gas assets from exploration to development stage, monetizing their reserves, delivering shareholder return and in turn working capital to fund future developments and strategic acquisitions.

NuEnergy has a clear strategy to drive future growth and maximise shareholder return. We are fully committed to complete our Plan of Development (POD) on our Tanjung Enim PSC, move to commercialization and first gas production.

We are proud to be a pioneer of Indonesia's clean energy industry, helping deliver reliable and robust energy supply to the people and businesses of Indonesia. Our focused strategy ensures we will soon become a significant Indonesian gas producer, maximizing shareholder value and return at every opportunity.

Shareholder Enquiries

Rozanna Lee
Company Secretary
+61 2 8076 7600

Corporate Office

C/- KPMG, Level 38, Tower 3
International Towers Sydney
300 Barangaroo Avenue
Sydney NSW 2000
AUSTRALIA
T: +61 2 8076 7600

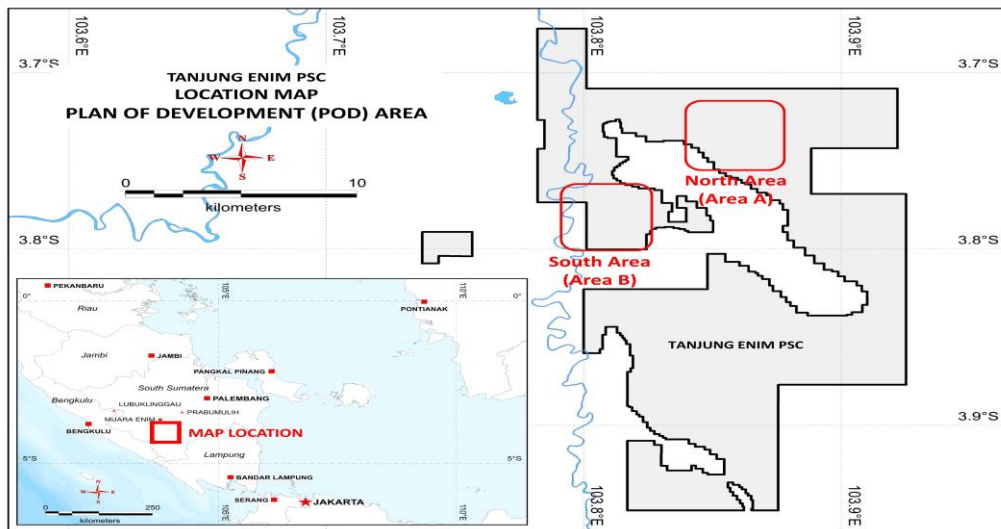
Annexure 1

Indonesian CBM Reserves Certification for the Tanjung Enim PSC Initial POD (refer ASX announcement on 19 January 2018).

The CBM reserves certification is one of the compulsory and required processes for the POD submission in Indonesia that must be administered by an Indonesian government accredited agency such as LEMIGAS.

The CBM reserves certification covers the POD target development areas that has been identified in the north (Area A) and south (Area B) area of the Tanjung Enim Production Sharing Contract (“PSC”) covering 33 km² that will form the basis of the overall POD proposal to be submitted to the Indonesia Ministry of Energy and Mineral Resources for approval.

Target Development Areas of the Tanjung Enim PSC (Initial POD)



In preparing the reserves certification, the quantities of the CBM reserves have been estimated by LEMIGAS based on the most known standard integrated approaches of geological, geophysical and engineering methods which are generally accepted in the CBM industry and oil and gas industry in Indonesia.

The reservoir characterisation was established based on 17 wells drilled before 2017 although no new wells were drilled for the purpose of this reserves certification. However, LEMIGAS has corroborated all the available data from the coal core holes, conventional well data and existing seismic. Using static modelling with the available data from the geological and geophysical analysis, well logs, CBM laboratory data and injection fall-off tests, the Original Gas In Place was generated. The reserves figures were estimated as results of prediction using the Dynamic Modelling which are consistent with the reserves and resources certification for the Tanjung Enim PSC Pilot Production Program (“TEPPP”) in February 2017.

The following table summarises NuEnergy’s participating interest from the LEMIGAS reserves certification classified as P1 (proved) and P2 (probable) deliverable gas reserves reported as gross interest in the announcement dated 15 January 2018:

Area	Original Gas In Place		Remaining Gas Reserves		Remaining Gas Reserves NuEnergy Participating Interest	
	(Bscf)		(Bscf)		(Bscf)	
A	56.239	74.575	43.968	58.304	19.786	26.237
B	57.986	28.299	42.079	20.537	18.936	9.242
Total	114.225	102.874	86.047	78.842	38.722	35.479

The reserves reported by LEMIGAS were not reported net of inert gases and fuel.

Comparison of LEMIGAS Reserves Certification to previously reported reserves and resources

In July 2012, Netherland, Sewell & Associates, Inc (“NSAI”) estimated the contingent resources in the northern part of the PSC covering an area ranging from 55km² to 65km² and prospective resources in the southern part of the PSC where data from mines, surface mapping and coal exploration boreholes indicates the presence of coal. The contingent resources and prospective resources are summarised below:-

Category	Unrisked Contingent Gas Resources (Bscf) ^{1, 4}		Category	Unrisked Prospective Gas Resources (Bscf) ^{2, 5}	
	Gross	Participating Interest ³		Gross	Participating Interest ³
Low Estimate (1C)	177	75	Low Estimate	99	23
Best Estimate (2C)	256	109	Best Estimate	192	44
High Estimate (3C)	360	154	High Estimate	333	76

Notes:

- 1) Estimated probabilistically based on 2 CBM wells drilled by the Company and other wells drilled by mines covering an estimated productive contingent resource area of the northern part of the PSC ranging between 55km² and 65km² with a best estimate of 60km².
- 2) Estimated probabilistically from an area in the southern part of the PSC where data from mines, surface mapping and coal exploration boreholes indicates the presence of coal.
- 3) Participating interests are after 5% deduction for shrinkage due to system use gas but do not include deductions under provisions of the PSC.
- 4) NSAI did not provide estimates of chance of development for the Contingent Resources.
- 5) NSAI did not provide estimates of chance of success for the Prospective Resources.

Corporate Office

C/- KPMG, Level 38, Tower 3
 International Towers Sydney
 300 Barangaroo Avenue
 Sydney NSW 2000
 AUSTRALIA
 T: +61 2 8076 7600

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In February 2017, RPS Energy Consultants Limited (“RPS”) estimated the reserves in the South area (Area B) by evaluating 5 wells drilled for the TEPPP and the immediate vicinity covering an area of 0.8 km². The TEPPP reserves and resources are summarised below:-

	Gross 100% License Basis ¹			NuEnergy’s Net Working Interest Basis ²			NuEnergy’s Net Entitlement Basis ³		
	1P	2P	3P	1P	2P	3P	1P	2P	3P
Gas Reserves (Bscf) ⁴	0.27	0.64	0.83	0.12	0.29	0.38	0.11	0.26	0.34
	Gross 100% License Basis ¹			NuEnergy’s Net Working Interest Basis ²					
	Low	Best	High	Low	Best	High			
Contingent Gas Resources (Bscf) ⁵	0.49	1.13	1.45	0.22	0.51	0.65			

Notes:

- 1) All volumes reported are based on gross (100%) interest as the fields are within the PSC license boundary. These volumes include NuEnergy’s and its partner’s interest including the Indonesian Government’s share.
- 2) The volumes reported under these columns are based on NuEnergy’s net working interest (45%), which include the Indonesian Government’s share under the PSC.
- 3) The volumes reported are based on NuEnergy’s net entitlement, which exclude the Indonesian Government’s share under the PSC.
- 4) Based on the contractual volume in the MOU with PT Shalindo Energi signed on 30 November 2016, for a five-year period starting in mid-2018 and are reported net of inert gases and fuel.
- 5) RPS estimates the chance of development for the above resources to be 35% due to the lack of MOU for gas sales or Gas Sales Agreement covering the license period.

By comparing the LEMIGAS CBM reserves certification with the estimates prepared by NSAI in July 2012 and RPS in February 2017, NGY provides the following updates and objectives:-

- 1) The LEMIGAS CBM reserves certification confirms the reserves for the POD target development areas concentrated in the North (Area A) and South (Area B) area of the PSC covering a total acreage of 33 km².
- 2) The LEMIGAS CBM reserves certification is one of the compulsory and required processes for the POD submission in Indonesia.
- 3) The LEMIGAS CBM reserves certification has been prepared based on the most known standard integrated approaches of geological, geophysical and engineering methods which are generally accepted in the CBM industry and oil and gas industry in Indonesia.

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 AUSTRALIA
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