

16 June 2025

ASX: CRD

## AGM Address by the Chairman and CEO

Pursuant to ASX Listing Rule 3.13.3, Conrad Asia Energy Ltd (**ASX:CRD**) ("**Conrad**", or the "**Company**") presents the Chairman's address and CEO's address to the AGM commencing at 9:30am (Singapore time) today at Raffles City Convention Centre, 80 Brash Basah Road, Singapore 189560.

The results of the AGM will be communicated on ASX shortly after the conclusion of the meeting.

### CEO's Address

Good morning, ladies and gentlemen. Thank you for joining us today at our third AGM as a listed company. I have the pleasure of giving you a short operational update on Conrad's activities in the last year. 2024 has been an important year for Conrad as we advanced our strategic vision to support the energy transition in Southeast Asia but the year has not been without its challenges.

Let's now discuss our projects in greater detail, starting from Mako. I would like to clarify that all figures stated in my speech have already been announced in the annual report, the latest quarterly report and other referenced ASX releases.

### MAKO

- The Company made Considerable progress advancing the Mako project in the Duyung production sharing contract ("PSC") during 2024. While we provided a project update at end of 1Q 2025, I thought it would be useful to spend a few minutes summarizing this progress for you this morning. The progress includes technical and commercial elements and the project is currently at a stage where FID is targeted to be taken soon after the Gas Sale Agreement has been fully signed.
- Key developments include:
- The environmental permit for the Mako project was submitted to the Minister of Environment and Forestry and approval was granted on 22 January 2024.
- All FEED studies and surveys for the Mako development have concluded. The project scope, which comprised of an initial phase of development and a potential post first production phase, remains aligned with the scope outlined in the Company's Initial Public Offering ("**IPO**") prospectus (the "**Prospectus**").
- Mako gas will be evacuated from the production facility via a 60 km pipeline to the adjacent Kakap PSC, and thereafter will be transported through the WNTS pipeline to the island of Batam in the Indonesian waters adjacent to Singapore. The spur line which will connect the WNTS to Batam will be built by the domestic gas buyer.
- Based on the above scope and the procurement process to date, capital costs for the initial Phase are estimated to be US\$322 million<sup>1</sup>, based on a 100% Participating Interest. This figure has been broadly flat/increased modestly inline with inflation over the past year.
- Conrad has advanced the procurement of all major contracts and services, with this process expected to conclude concurrently with the finalisation of Gas Sales Agreement ("**GSA**").

<sup>1</sup> ASX Release, "Bell Potter Unearthed Natural Resources Conference 2025" 12 February 2025

- First Production from the Mako field is currently expected during the second half of 2027.
- During 2024, Conrad had concluded two GSAs, one with Sembcorp Gas Pte Ltd of Singapore and a second one with PT Perusahaan Gas Negara Tok (“PGN”) for the domestic portion of the gas produced from the Mako field<sup>2</sup>. Both GSAs were subject to approval by the Indonesian Ministry of Energy and Natural Resources (“MEMR”).
- After its presidential election, Indonesia changed its energy policy objectives. As a result energy security became the priority. The government decided that all Mako gas had to be sold domestically. As has previously been reported<sup>3</sup>, in line with new government policy objectives, MEMR subsequently revoked its earlier allocation and pricing Directive to sell Mako gas to Sembcorp and PGN and both GSAs were terminated.
- Following the GSAs termination Conrad initiated negotiations with PT PLN Energi Primer Indonesia (“PLN EPI” or “PLN”), a wholly owned subsidiary of PT Perusahaan Listrik Negara (Persero) (“PLN Persero”).
- Upon agreeing key terms for gas volumes and prices with PLN, Conrad obtained ministerial approval for the gas volume allocation and pricing.
- On 21 May 2025, Conrad and PT PLN Energi Primer Indonesia (“PLN EPI” or “PLN”), a wholly owned subsidiary of PT Perusahaan Listrik Negara (Persero) (“PLN Persero”), agreed a binding GSA for the gas produced from the Mako gas field into Indonesia. I would like to draw your attention to how quickly the new GSA was negotiated and agreed to. SKK Migas, the government body that oversees and regulates upstream activities in Indonesia, has provided formal authorisation to both buyer and seller to sign the binding document. Conrad being a smaller organisation has obtained internal approvals for the signing while PLN EPI and PLN are progressing well with their own approval processes. Conrad is continuously engaging with PLN to ensure a timely completion of the process. Signing of the GSA is expected in the next few weeks.
- I would like to emphasize that the Mako gas to be sold to Batam will be sold at prices equivalent to what would have been received if we sold those volumes to buyers in Singapore. The Mako gas price is linked to the Indonesian Crude Price (“ICP”), rather than the fixed domestic offtake price usually mandated for domestic sales. This is akin to Brent oil-linked Liquefied Natural Gas (“LNG”) pricing. This shows the extent of the demand for our gas in Indonesia.
- Oil-linked prices for pipeline gas contracts in Indonesia have been uncommon. Approval of such a structure for Mako demonstrates the willingness of the Government of Indonesia to secure gas for local consumption whilst ensuring that the producer is not economically disadvantaged to the pricing previously approved for Mako gas to be sold both domestically and for export. Indonesia is the fourth most populous country in the world and amongst the fastest growing economies in the world. The PLN GSA will make a meaningful contribution to aligning Indonesia’s new energy policy for secure cleaner energy.
- PLN is progressing with the preparations to build the pipeline connecting the West Natuna Gas Transportation System (“WNTS”) to Pemping Island (5 -7 kms) and link to Batam.
- As we have always mentioned a key component to taking FID and bringing the field onstream is the introduction of a new partner in the Joint Venture through a farm out. The company commenced the farmout process in 2023, and attracted a large number of interested parties that performed detailed evaluations and appreciated the technical merits of the project. However, due to uncertainties mainly related to the commercialisation of the resource, offers were limited and unattractive.
- The finalisation of the GSA with PGN and in particular with Sembcorp in 2024 increased the Mako project’s profile and spurred renewed focus in the farm down process. Additional parties expressed interest and the process was reinvigorated. We received non-binding offers and entered into confidential discussions with one specific party.
- The GSAs with Sembcorp and PGN as mentioned above were terminated and eventually replaced by a new GSA with PLN earlier this year. Although commercially this change didn’t affect the project, the transition from one buyer to the other

<sup>2</sup> ASX Release, “Mako Binding Gas Sale Agreement Signed with PGN”, 24 June 2024

<sup>3</sup> ASX Release, “Mako PSC Revised Gas Sales Arrangements”, 12 March 2025

caused uncertainty to the parties that we were negotiating and impacted their pace of evaluation. With the most recent added clarity provided by the agreed terms of the PLN GSA and the approvals by the MEMR and the authorisation for signing of SKK Migas, the farmdown process gained renewed momentum and we hope that we will be able to announce a successful outcome in the next few months

- As previously advised in 4Q 2024<sup>4</sup>, WNEL issued default notices on 12 November 2024 to its Duyung co-venturers, Coro Energy PLC ("**Coro**") and Coro Energy Duyung (Singapore) Pte Ltd (referred to as "**Coro Duyung**") and Empyrean Energy Ltd ("**Empyrean**") as per the Joint Operating Agreement ("**JOA**") between the parties, for cash call arrears.
- We reached a Settlement Agreement with Coro, and this agreement was approved by Coro shareholders on 14 May 2025<sup>5</sup>. The cash due to Conrad as part of this settlement has been received.
- Details of the Settlement Agreement have previously been announced<sup>6</sup> but the arrangement will see the transfer of Coro Duyung's 15.0% Participating Interest ("**PI**") in the Duyung PSC to WNEL will bring WNEL's total PI in the Duyung PSC to 91.5%. The Mako field contains 2C Contingent Resources (100%) of 376 billion cubic feet ("**Bcf**"), of which, post transfer, 231 Bcf will be net attributable to Conrad (an increase of 38 Bcf to the volume reported in the CRD YE 2024 Annual Report<sup>7</sup>).
- Discussions with Empyrean regarding their arrears are ongoing.

#### ACEH

- Conrad's two Aceh PSCs cover both shallow and deep-water areas and have four gas discoveries in shallow water and large low risk exploratory potential in the deep-water.
- The discovered resources in Aceh means that Conrad has another two projects in addition to the Mako development. These two projects together with exploratory potential near the existing discoveries and the large deepwater prospectivity not only provide a solid foundation for future growth of the company, they increasingly attract great focus by the company.
- Key developments in the Offshore North West Aceh ("**ONWA**") and Offshore South West Aceh ("**OSWA**") PSCs included:
- In support of the memorandum of understanding ("**MOU**") signed with PGN for cooperation in the provision of gas or LNG supply and development infrastructure for gas resources from the ONWA and OSWA PSCs<sup>8</sup>, Conrad commissioned THREE60 Energy<sup>9</sup> to conduct a high-level screening exercise to test the technical and commercial feasibility of a small-scale LNG plant (<0.5 million tonnes per annum ("**mtpa**") as an outlet for gas from Meulaboh Main & East.
- Small-scale LNG projects are now being developed across Asia by numerous companies with proven technology and active plants that support a 20-40 mmscf sales gas supply.
- The Screening Study highlights that small-scale LNG is a feasible gas commercialisation option for the existing ONWA & OSWA discovered gas due its near shore location and flow-tested almost pure methane content.

<sup>4</sup> ASX Release, "Quarterly Activities Report for the Period Ending 31 December 2024", 24 January 2025

<sup>5</sup> ASX Release, "Conrad increases its stake in Duyung PSC to 91.5%", 19 May 2025

<sup>6</sup> (ibid)

<sup>7</sup> Conrad Annual Report 2025 for the Year Ended 31 December 2024, 30 March 2025

<sup>8</sup> ASX Release, "Aceh Gas Commercialisation MOU Signed with PGN" 01 March 2024

<sup>9</sup> THREE60 Energy Screening Study conducted for Conrad in July 2024

- Conrad will work with PGN to further mature the small-scale LNG opportunity for the discovered Aceh resources as well as investigate its options for the 15 trillion cubic feet (“Tcf”) of gross prospective resources (11 Tcf net attributable to Conrad).
- The small-scale-LNG commercialisation is just one of the many opportunities that exist in the immediate area of the gas resources. The potential market for gas in the area is strong and includes refined products from mining companies where Conrad is engaged with potential gas buyers.
- On the operations front, we are planning to acquire a 3D seismic survey in and around the existing discoveries of the ONWA PSC in order to increase the resource size. Competent Persons Reports (“CPRs”) on Conrad’s shallow water areas of two offshore Aceh PSCs have estimated a gross (100%) 2C Contingent Resource of 214 Bcf sales gas (161 Bcf net attributable to Conrad) in three of the four discovered gas accumulations in the two PSCs<sup>10</sup>.
- An environmental permit has been secured for 3D seismic acquisition in offshore Aceh.
- The CPR ascribes a Net Present Value (“NPV”) of US\$88 million to the Aceh PSCs net to Conrad on its net attributable resources of three of the discoveries. This estimate assumes regulated domestic gas sales price while the LNG solution would permit sale at international market prices.
- Additional commercialisation options are also being evaluated which include gas to power and compressed natural gas.

#### **PLACEMENT**

- In May 2025, the company raised a total of A\$9 million (before costs) through a placement at an issue price of A\$0.65 per CHESS Depositary Interest (“CDI”) by way of a two-tranche placement (“Placement”) to institutional and sophisticated investors, utilising the Company’s placement capacity under ASX Listing Rule 7.1.
- Proceeds raised from the placement used to Proceeds will be used to support general project costs and general & administrative (“G&A”) expenses.
- The successful completion of the Placement will allow the Company to remain well funded through a number of near-term goals, including:
- Signing of binding gas sale agreements for Mako;
- Conclusion of Duyung PSC farm-down process;
- Mako final investment decision (“FID”); and
- Maturing gas commercialisation initiatives in Aceh.

I would like to thank our shareholders, our staff, our partners and contractors for their continued support as we look forward to reaching more important milestones in the coming year.

Operationally, our disciplined approach to project development and cost optimisation ensures we are well-positioned for the next phase of growth. With a highly experienced leadership team and a strong foundation in place, we remain focused on executing our strategy and capitalising on Southeast Asia’s growing demand for natural gas as a transition fuel. As we look ahead, Conrad is committed to delivering sustainable energy solutions that drive economic growth and energy security in the region. As its economies transition away from coal to the cleaner burning natural gas and we are proud to be involved in this transition.

We continue to be excited about the opportunities ahead for Conrad in Indonesia and across the Southeast Asia region. As Indonesia’s economy transitions away from coal towards cleaner burning natural gas, we are proud to be involved in this

<sup>10</sup> ASX Release, “75% Increase in Conrad Total Net Attributable Resources” 16 May 2023

transition. The resultant strong gas demand in Indonesia underpins the value of our discovered resources and our investment thesis.

Authorised by the Board.

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