

17 July 2025

ASX:CRD

## Gas Sale Agreement Signed with PLN EPI

### Highlights

Conrad Asia Energy Ltd (**ASX: CRD**) (the “**Company**” or “**Conrad**”), an Asia-focused natural gas exploration and development company, is pleased to announce that it has signed a Gas Sales Agreement (“**GSA**”) for the sale and purchase of natural gas from the Mako Gas Field (“**Mako**”) with PT PLN Energi Primer Indonesia (“**PLN EPI**”), a wholly owned subsidiary of PT Perusahaan Listrik Negara (Persero) (“**PLN Persero**”), which holds a BBB credit rating<sup>1</sup>.

- On 16 July 2025, Conrad and PLN EPI signed a binding GSA for all the gas produced from the Mako gas field to be supplied domestically. The GSA provides for a total contract quantity of 392 one thousand billion British thermal units (“**TBtu**”).
- The contract covers the current Duyung Production Sharing Contract (“**PSC**”) period until January 2037 and allows for the sale of up to 111 billion British thermal units per day (“**Bbtud**”).
- PLN Persero is the Indonesian state-owned electric utility company, wholly owned by the Government of Indonesia through the Ministry of State-Owned Enterprises. PLN Persero has over 7,000 power plants supplying over 89 million customers and sells over 288,000 GWh of electricity annually<sup>2</sup>.
- The Mako gas price will be linked to the Indonesian Crude Price (“**ICP**”), an oil price index similar to Brent. The resulting pricing mechanism will be economically similar to the mix of prices previously approved for Mako export and domestic gas sales.
- 100% of the gas produced from the Mako field will be sold at the above-referenced price rather than the usual fixed domestic offtake price.
- The terms of the GSA with PLN EPI are confidential.
- PLN EPI will finance and build the pipeline connecting the main West Natuna Gas line to Pemping Island (~5 -7 kms) and onward link to Batam. Conrad will not bear any cost in relation to the construction of this pipeline.
- In addition, the Indonesian Ministry of Energy and Mineral Resources (“**MEMR**”), has revoked its earlier allocation and pricing Directive to sell Mako gas to PT Perusahaan Gas Negara Tbk (“**PGN**”) and Sembcorp Gas Pte Ltd. (“**Sembcorp**”). The GSAs with PGN and Sembcorp have been terminated.
- The newly signed GSA is anticipated to support the pending farm-out arrangements in Duyung PSC and FID for Mako.
- The GSA is subject to customary conditions precedent.

<sup>1</sup> <https://www.fitchratings.com/research/corporate-finance/fitch-affirms-indonesia-perusahaan-listrik-negara-at-bbb-outlook-stable-19-06-2024>

<sup>2</sup> PT Perusahaan Listrik Negara (Persero) company profile, <https://web.pln.co.id/statics/uploads/2024/12/COM-PRO-PLN-2023.pdf>

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

*“The GSA between the Mako Joint Venture and PLN EPI is a significant milestone both in the development of Conrad and in our progress to bringing the Mako Field into production. The signing of the GSA underpins the financial viability and crystallises the value of the Mako Field.*

*For Conrad, this is an important step in building its gas business in Asia. Conrad has worked closely and effectively with PLN to conclude a formal GSA promptly following the Directive from the MEMR to sell all gas from Mako into the Indonesian domestic market<sup>3</sup>. The island of Batam is experiencing strong energy demand growth fuelled by power demand from data centres and Mako is ideally placed to supply energy to that growing market.*

*Oil-linked prices for domestic 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. Indonesia is the fourth most populous country in the world and amongst the fastest growing economies in the world. The PLN EPI GSA will make a meaningful contribution to aligning Indonesia’s new energy policy to continue to secure cleaner energy.*

*Mako is the first of many gas projects we aim to bring into commercial production from our existing portfolio of gas discoveries, which also include our Aceh gas resources where we hold four existing discoveries. Asia has the fastest gas consumption growth in the world and continues to progress on its energy transition path away from coal. We are extremely proud to participate in and support Indonesia’s ever-growing exploitation of its natural gas resources. The resultant strong gas demand in Indonesia underpins the tangible value of our discovered resources and provides a compelling investment thesis for Conrad.”*

<b>Duyung PSC – Mako Gas Field</b>	<b>76.5% Participating Interest (91.5% post-Coro transfer<sup>4</sup>), Operator</b>
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Conrad holds a 76.5% (rising to 91.5% PI post-Coro transfer<sup>5</sup>) operated PI in the Duyung PSC (“**Duyung**”) via its wholly owned subsidiary West Natuna Exploration Limited. Duyung is located in the Riau Islands Province, Indonesian waters in the West Natuna area, approximately 100 kms to the north of Matak Island and 400 kms northeast of Singapore. The Mako Gas Field contains 2C Contingent Resources (100%) of 376 billion cubic feet (“**Bcf**”), of which 192 Bcf are net attributable to Conrad<sup>6</sup> (rising to 231 Bcf post-Coro Transfer<sup>7</sup>).

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

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

In parallel, negotiations on the sale / farmout of some of Conrad’s PI in Duyung PSC are advancing. The timing of a Mako FID and consequent first gas will be revised following finalisation of the above-mentioned matters.

<sup>3</sup> Conrad Asia Energy Ltd ASX announcement: Mako PSC Revised Gas Sales Arrangements, 12 March 2025.

<sup>4</sup> Conrad Asia Energy Ltd ASX announcement: Duyung PSC Settlement Signed with Coro Energy, 10 April 2025.

<sup>5</sup> Ibid.

<sup>6</sup> Conrad Annual Report 2024, 31 March 2024.

<sup>7</sup> Conrad Asia Energy Ltd ASX announcement: Duyung PSC Settlement Signed with Coro Energy, 10 April 2025.

## PLN EPI Background

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

Authorised by the Board of Directors of Conrad.

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## About Conrad and its Projects

Conrad is an Asia-focused natural gas exploration and production company concentrated on the shallow waters offshore Indonesia, and via its wholly owned subsidiaries, is the holder of several operated tenements in the form of Production Sharing Contracts. The Company's flagship project is the Mako Gas Field located in the Natuna Sea in the shallow offshore waters of Indonesia. The Mako gas field is one of the largest gas discoveries in the region.

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

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

## Forward Looking Statements

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

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

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