

# Pure Play Exposure to Asia's Energy Growth — The Fastest in the World

## ASX: CRD

Investor presentation

February 2023





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# Investment Highlights

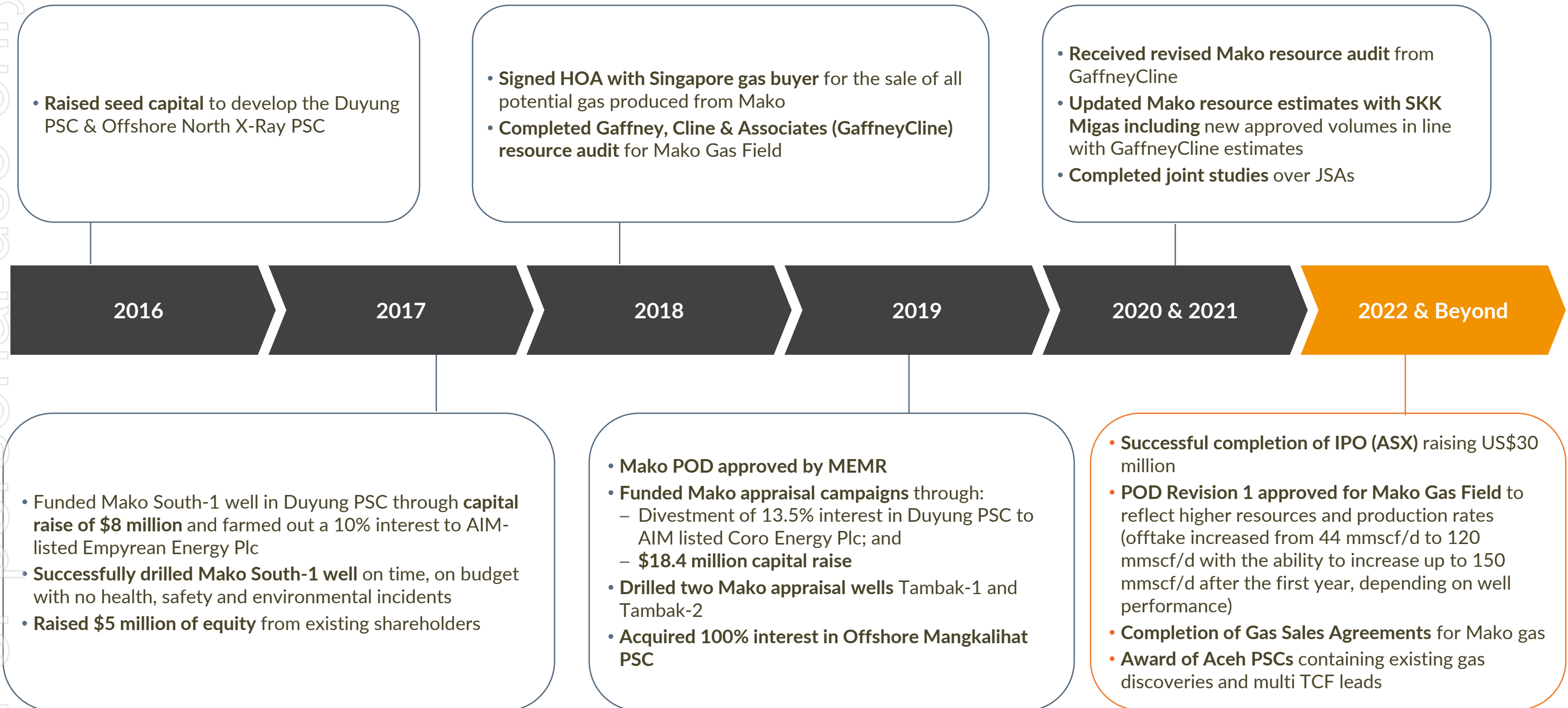
Conrad is a Singapore company whose shares are publicly listed on the ASX through Chess Depositary Interests (CDIs)

	<b>Portfolio of assets focused on offshore Asian gas</b>	<ul style="list-style-type: none"> <li>The Mako Gas Field is currently one of the largest undeveloped and fully appraised gas field in the West Natuna Basin, Indonesia</li> <li>2C Contingent Resources of 413 Bcf (215 Bcf net to Conrad) generating gas sales of approximately US\$4.5 billion (US\$2.4 billion net to Conrad)<sup>1</sup></li> <li>Exploration and appraisal potential in Conrad's other Production Sharing Contracts (<b>PSCs</b>), contain a number of drill ready prospects</li> </ul>
	<b>Mako Gas Field</b>	<ul style="list-style-type: none"> <li>Mako adjoins major gas export infrastructure connected to Singapore with currently only ~60% utilisation rate</li> <li>Relatively simple, low-cost development (shallow water, high deliverability reservoir, high quality gas) with robust economics (post-tax NPV10: US\$442m net to Conrad)<sup>1</sup></li> <li>Revised Plan of Development (reflecting higher estimated resource and production rates) has been approved by the Indonesian Ministry of Energy and Mineral Resources (<b>MEMR</b>)</li> <li>Conrad hold and operate a 76.5% Participating Interest in the Mako Gas Field</li> </ul>
	<b>Upside from held and potential assets</b>	<ul style="list-style-type: none"> <li>Award of two new PSCs, Offshore North West Aceh (Meulaboh) (<b>ONWA</b>) and Offshore South West Aceh (Singkil) (<b>OSWA</b>)</li> <li>The two Aceh PSCs cover some 22,000 square kilometres in both shallow and deep water areas. The shallow water areas contain numerous gas discoveries that have been flow tested. The deep-water areas hold multi Tcf exploration potential.</li> </ul>
	<b>Compelling market fundamentals</b>	<ul style="list-style-type: none"> <li>Singapore is Conrad's near-term market opportunity with strong and reliable gas price dynamics</li> <li>Indonesia is the fourth most populous country in the world, and its production of both oil and natural gas has not been able to keep up with growing domestic demand</li> </ul>
	<b>Near-term goals</b>	<ul style="list-style-type: none"> <li>Conrad is targeting a number of near-term goals that aim to de-risk development of the Mako Gas Field and add value to its growth portfolio: <ul style="list-style-type: none"> <li>– commencement of the Front-End Engineering Design (<b>FEED</b>) for Mako;</li> <li>– finalisation, and approval by all parties, of gas sales agreements for future gas produced from the Mako; and</li> <li>– Delineation of several large structures and initiation of a mapping exercise to inventorise and assess leads and prospects across Aceh.</li> </ul> </li> </ul>
	<b>Experienced Board &amp; Management Team</b>	<ul style="list-style-type: none"> <li>Board and Management have a proven track record of value creation and deep industry experience with oil majors, mid-cap E&amp;P and the upstream investment community. A successful history of bringing exploration and development projects into production</li> <li>Peter Botten as Chairman adds enormous depth and experience, as well as major credibility to the company</li> </ul>

Note: (1) Competent Person's Report (CPR) for Duyung by Gaffney, Cline & Associates (GaffneyCline) 26 August 2022 as outlined in the Company's IPO prospectus dated 9 September 2022.

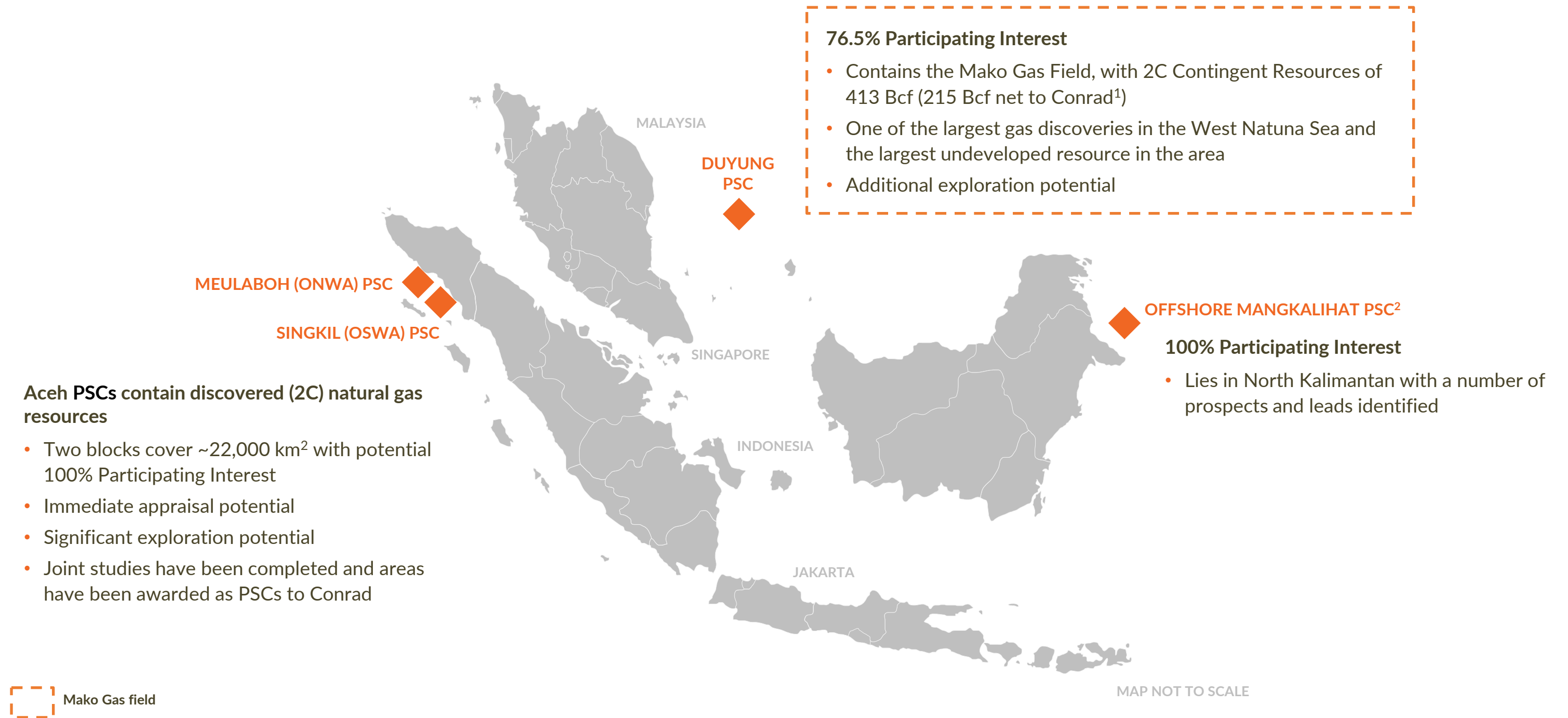
# Delivery of Key Milestones

Conrad has demonstrated a strong track record of consistent delivery



# Portfolio of Projects

Duyung PSC (which contains Mako) is the cornerstone asset of Conrad's portfolio with additional exploration assets providing upside



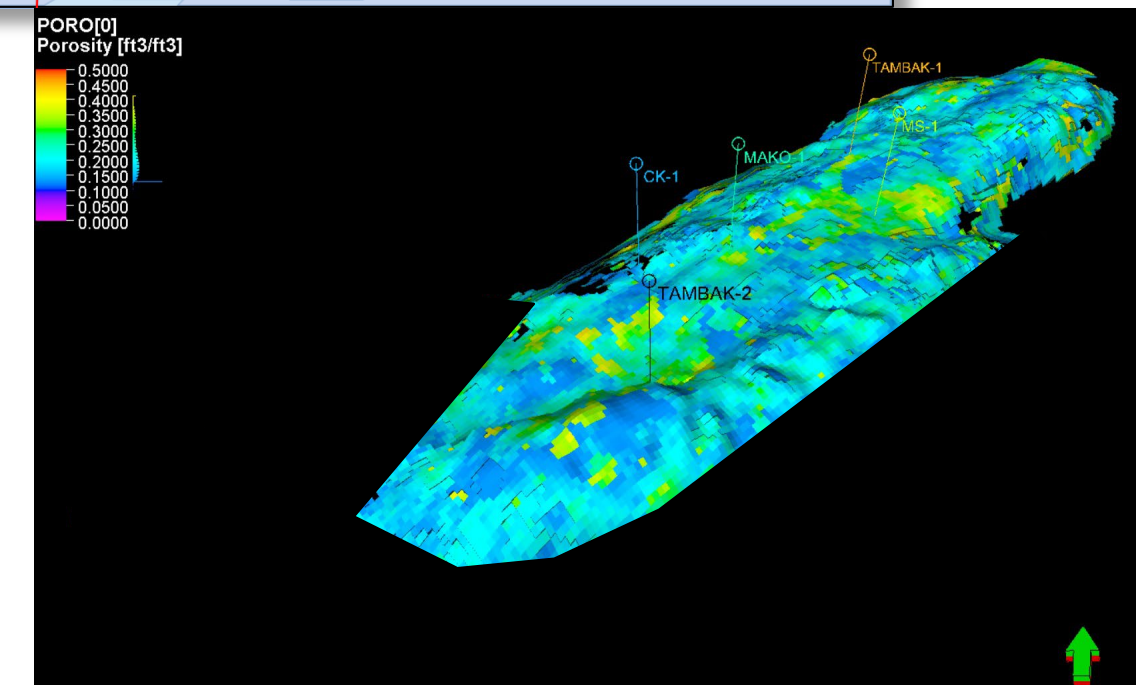
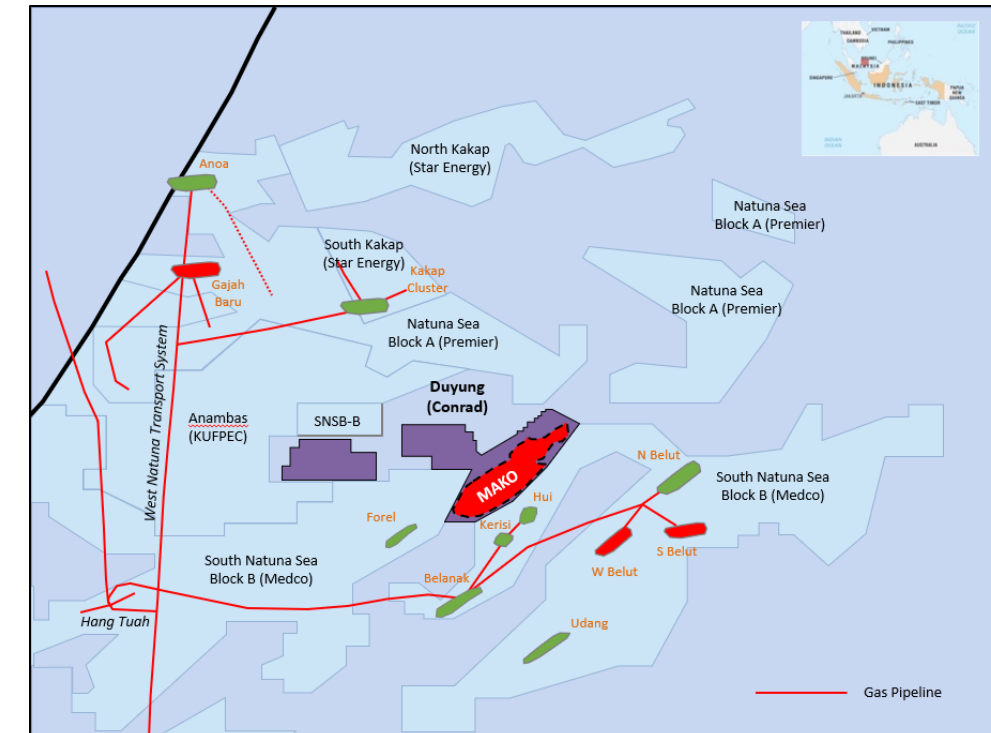
Note: (1) Competent Person's Report (CPR) for Duyung by Gaffney, Cline & Associates (GaffneyCline) 26 August 2022. Resources attributable to Conrad are based on Conrad's participating interest of 76.5% in the Duyung PSC. (2) As outlined in the Company's quarterly report lodged with ASX dated 27 January 2023 given the attractive prospects in its other assets and the potential impending expiration of the OM PSC in July 2023, the Board has decided to pause activities in OM and discuss the future of the PSC with SKK Migas.



# Duyung PSC and Mako Gas Field Overview

One of the largest undeveloped gas discoveries in the West Natuna Sea with key under-utilised infrastructure in place

- Mako Gas Field has been assessed to contain gas comprising 98% methane gas with insignificant impurities and a high permeability reservoir with excellent productive capability
- POD for Mako Gas Field approved in February 2019, converting PSC from exploration to exploitation, and extending tenure to 2037
- Following successful drilling campaigns, Conrad worked with SKK Migas on a revised POD<sup>1</sup> that has been approved by the Indonesian regulator. The current Mako CPR<sup>2</sup> contemplates the production of 2C Resources from Mako of 413 Bcf (215 Bcf net to Conrad)
- Gas sales agreement (GSA) slated to be completed by end of Q1 CY2023 with a tripartite engagement among Conrad, a Singapore gas buyer, and SKK Migas (the Indonesian regulator.)
- Mako holds high quality gas (98% methane, no mercury, no heavy metals), requires no LNG refrigeration emissions / energy consumption has no requirement for regasification and has a lower carbon footprint<sup>2</sup>
- Anticipate commencement of FEED work for the development of the field from funds raised under the IPO



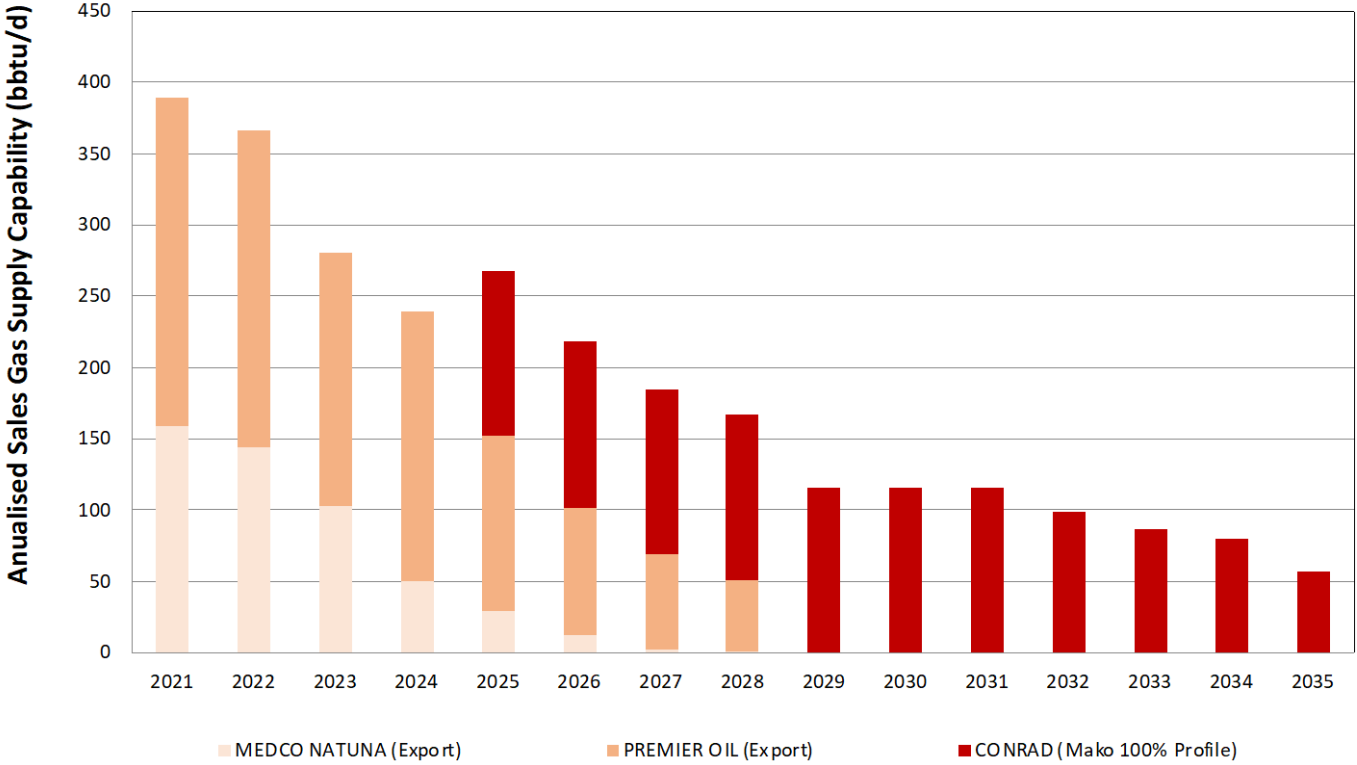
Note: (1) The implementation of a POD must be progressed within 5 years of the approval of the POD by MEMR, otherwise the PSC will be automatically terminated. (2) Competent Person's Report (CPR) for Duyung by Gaffney, Cline & Associates (GaffneyCline) 26 August 2022.

# Strategically Positioned

Mako is strategically positioned to supply established gas markets

Mako is expected to be a meaningful source of gas supply...

Natuna Sea Annualised Supply Capability (bbtu/d)



Mako adjoins major gas export infrastructure (WNTS) with currently only ~60% (and steadily declining) utilisation rate

... into critical and growing Asian demand centres

West Natuna Transport System (southern configuration)



West Natuna Transport System (WNTS) can connect Mako to Singapore and potentially to Indonesia in future

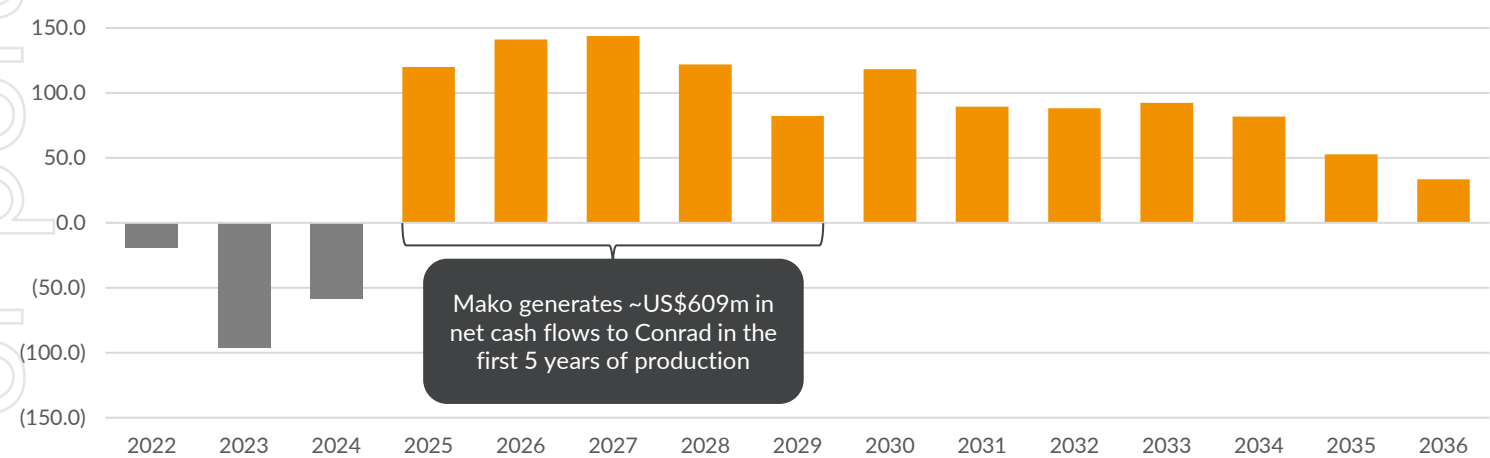
Source: SKK Migas Natuna Sea Gas Supply and SKK Migas Materi Gas Balance Indonesia (Sep-2020).

# Mako Economics – Net to Conrad

Economically robust, underpinned by an economic production life of ~12 years

- Assessment based on an independent Competent Person’s Report (CPR) on the Mako development, Gaffney, Cline & Associates
  - The report assumes Final Investment Decision is made by early 2023 for first gas in 2025
  - The operational and economic outcomes are predicated on a Contingent (2C) Resource estimate of 413<sup>1,2</sup> Bcf (215 Bcf net to Conrad) with **gas sales of approximately US\$4.5 billion (US\$2.4 billion net to Conrad)<sup>1</sup>**
  - CPR model is based on current futures prices and a capex and opex profile which yields a Best Case (P50) post-tax NPV<sub>10</sub> of US\$442m<sup>1,2</sup> (net to Conrad) and post-tax IRR of 51%

Mako post tax net cash flows (US\$m, net to Conrad)<sup>1</sup>



Operational and financial highlights (net to Conrad)<sup>1,2</sup>

First gas	year	2025
End of PSC	years	12 (from first gas)
Sales gas (net to Conrad)	Bcf	215
Sales revenue (net to Conrad, real)	US\$m	2,016
Annual average opex (net to Conrad, real)	US\$m / yr	35
Capital costs (net to Conrad, real)	US\$m	204
Field abandonment costs (net to Conrad, real)	US\$m	10

Brent Oil Price Curve<sup>3</sup> (US\$/bbl) & Mako NPV<sub>10</sub> (US\$m, net to Conrad)

Scenario	2025	2026	2027	2028	2029	2030+	NPV <sub>10</sub>	IRR
GaffneyCline Aug-22	80.0	81.6	83.2	84.9	86.6	+2.0%	442	51%

**Note:** (1) Competent Person’s Report (CPR) for Duyung by Gaffney, Cline & Associates (GaffneyCline) 26 August 2022 (**Best Case**). Section 8.5 of their report also includes ‘Low Case’ and ‘High Case’ production, capital expenditure and operational expenditure profiles. (2) Net of the working interest partners take, the volume of gas within Duyung PSC and Conrad’s participating interest of 76.5% in the project. (3) Brent oil price curve quoted in nominal terms.



# Aceh PSCs

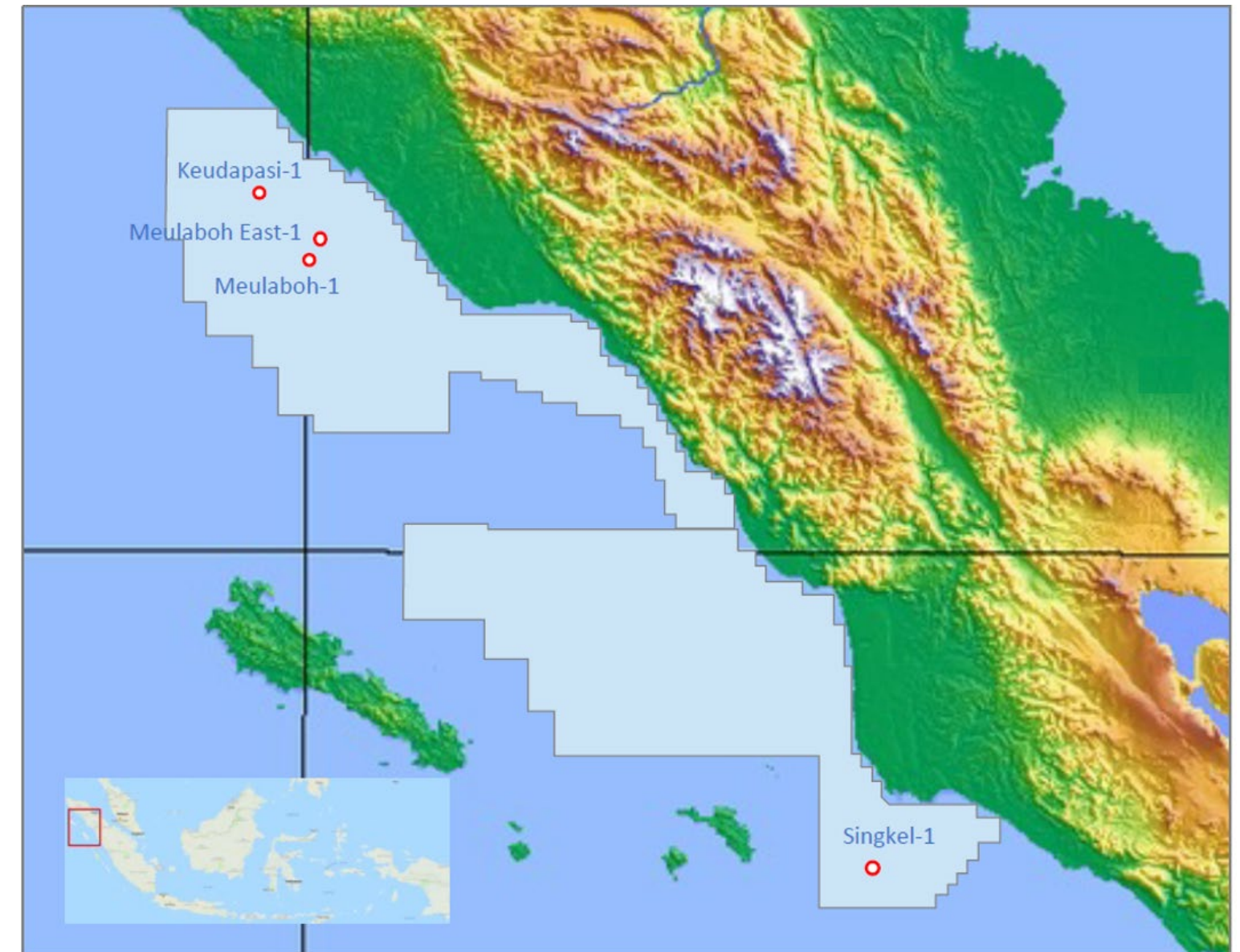
The Aceh PSCs contain numerous offshore gas discoveries as well as large exploration opportunities

- Conrad was awarded two new PSCs on 5 January 2023, located offshore northwest Sumatra within the Aceh Province of Indonesia
- The Aceh JSAs cover a combined working area of approximately 22,000 square kilometres, with each area containing gas discoveries.
- Conrad is operator of both PSCs and holds a 100% interest in each block. Each PSC has a 30-year tenure.
- Water depths vary between 5 - 1,500 metres with the existing discoveries located in shallow water depths of 50 - 80 metres, respectively
- Both PSCs contain flow-tested gas discoveries in shallow water. An independent reserve engineering firm has been engaged to produce a Competent Persons Report to determine potential discovered resources.
- Available seismic data reveals that both PSCs contain structures that suggest multi Tcf gas prospectivity (with gas chimneys and flat spots displayed on seismic data) in the deeper water areas of the blocks.

***“The award of these two PSCs is a transformational event for Conrad as these blocks contain discoveries that significantly increase our resource base and offer the opportunity for Conrad to add several gas projects to its existing large Mako gas project,”***

*Conrad Managing Director and CEO, Miltos Xynogalas.*

Location Map of offshore Aceh JSAs



# Aceh PSCs

The Aceh PSCs contain numerous offshore gas discoveries as well as large exploration opportunities

- The shallow water discoveries, located close to shore, were made in the 1970's and are sited in geological formations known as "pinnacle reefs". Based on well reports, the discoveries include:
  - Singkil-1 (OSWA, 1973) discovered a gas column of circa 270 feet and flowed gas at a maximum rate of 10.06 million standard cubic feet per day (mmscfd)
  - Meulaboh-1 (ONWA, 1970) discovered a gas column of circa 90 feet and flowed gas at a maximum rate of 6.7 mmscfd.
  - Keudepasi-1 (ONWA, 1973) discovered a gas column of circa 60 feet and flowed gas at a maximum rate of 5.34 mmscfd.
  - Meulaboh East-2 (ONWA, 1975). discovered a gas column of circa 30 feet and flowed gas at a maximum rate of 7.99 mmscfd.
- The gas flowed to surface from all of the discoveries is predominantly methane gas (CH<sub>4</sub>), with very small amounts of carbon dioxide (CO<sub>2</sub> ~0.04%) and nitrogen (N<sub>2</sub> ~0.13%).
- The drilling success rate for gas in these reefs was circa 50% based on older 1970's vintage 2D seismic.
- Modern 3D seismic should help delineate other shallow water gas targets over this vast area.
- These shallow water discoveries prove the hydrocarbon potential of the area and upgrade the larger deep water targets.

# Unique Gas Opportunity

Indonesia represents a compelling energy investment opportunity

- ✓ Asian energy demand growth has been well flagged
- ✓ Indonesia is the 4<sup>th</sup> most populous country with strong energy demand
- ✓ Indonesia has transitioned from energy exporter to importer in the last decade
- ✓ Gas is becoming the preferred fuel to drive continued economic growth
- ✓ Government (SKK Migas) objective to double gas production by 2030 announcing working on laws to incentivise investors to spend US\$179 billion to meet 2030 oil and gas production targets in Southeast Asia's largest economy<sup>1</sup>
- ✓ Natural gas is a vital transition fuel and together with a climate finance deal, providing US\$20 billion to help Indonesia pivot away from coal to gas power generation
- ✓ Conrad's experience in the region positions the Company to execute on its business strategy
- ✓ Maturation of Conrad's portfolio will see it positioned to capture investor appetite in this compelling macro environment
- ✓ SKK Migas continues to coordinate, cooperate and collaborate with all PSC Contractors and other stakeholders in efforts to increase the national oil and gas reserves and production

Note: (1) <https://www.energyvoice.com/oilandgas/462712/gas-key-for-energy-transition-as-indonesia-seeks-179bn-upstream-investment/> (2) <https://www.bloomberg.com/news/articles/2022-11-15/biden-jokowi-unveil-20-billion-deal-to-wean-indonesia-off-coal?leadSource=uverify%20wall>

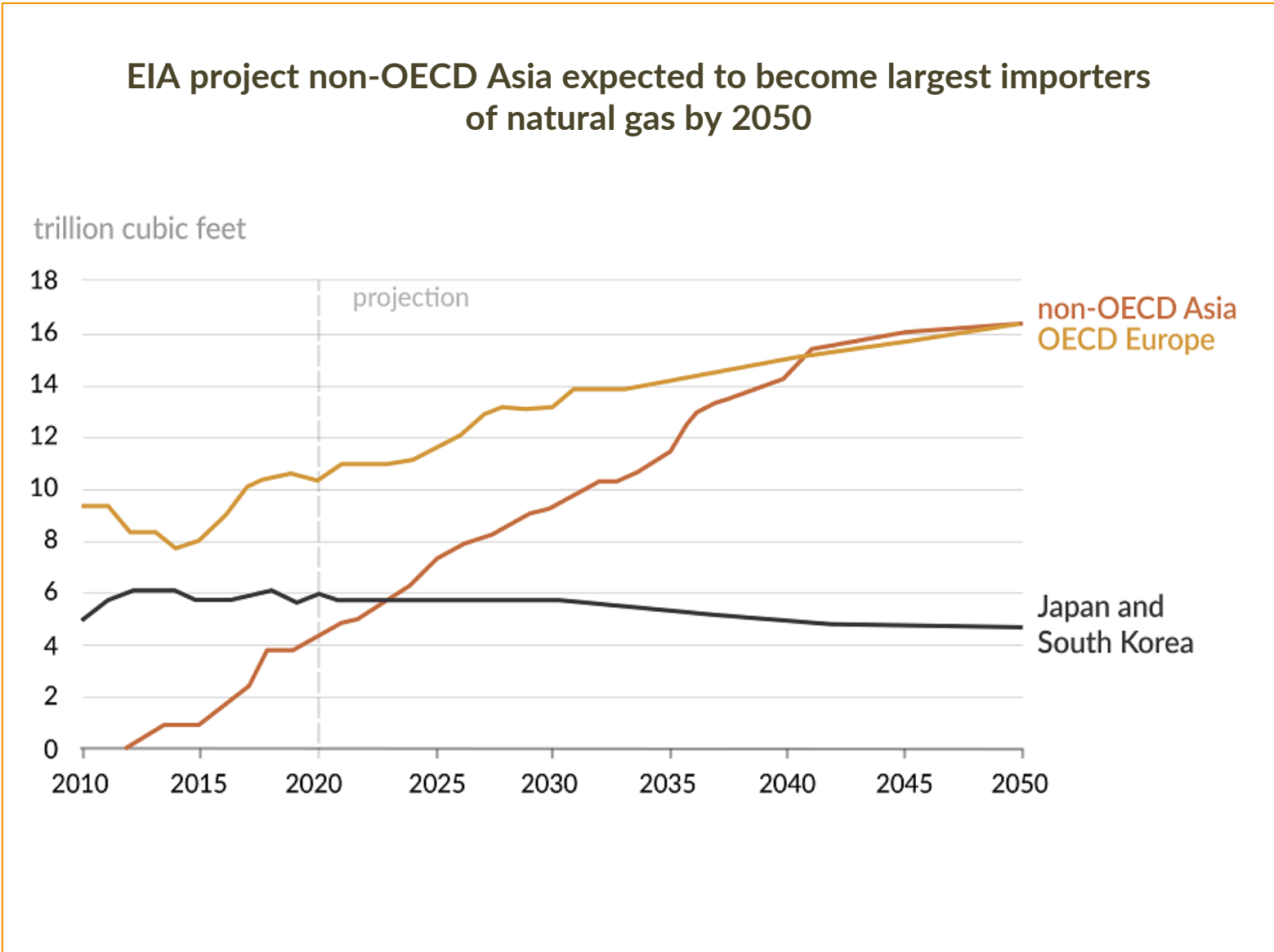




# Asian Demand for Gas / LNG

Over next 10 years and beyond, Asia is expected to deliver the strongest growth in demand for gas and LNG

Demand for gas supply will grow across the Asia Pacific region, from core gas demand growth markets of China, South and South-east Asia, but also through uncontracted or underlying demand in the more mature markets of Japan, Korea and Taiwan



Source: U.S. Energy Information Administration, International Energy Outlook 2021.

# Board and Management

Highly experienced Board with strong technical, operational and financial backgrounds



**Peter Botten**

Non-Executive Chairman

Previous MD of Oil Search Limited for 26 years, overseeing its transition into a major ASX listed gas company, ex-chairman of AGL Energy Ltd, currently director of Aurelia Metals Ltd, Karoon Energy Ltd and Oil Search Foundation



**Miltos Xynogalas**

Founder, Managing Director & CEO

Geoscientist with 30 years of technical and prospect generation in upstream industry with Shell International, Premier Oil, and Transworld Oil



**David Johnson**

Executive Director & COO

41 years oil and gas experience in Australia, Asia-Pacific and Middle East with BP, Shell, Woodside, Mubadala Petroleum & Ophir Energy



**Paul Bernard**

Non-Executive Director

Former top-rated Asian energy analyst & Goldman Sachs partner. Deep experience in Asian financial markets and the energy sector



**Jeremy Brest**

Non-Executive Director

Seasoned finance executive with over 15 years' experience in New York and Asia, including Goldman Sachs and Credit Suisse



**Mario Traviati**

Non-Executive Director

Previous Head of Asia Energy Research at Merrill Lynch. Over 35 years working, analyzing and investing in oil and gas projects. Previously at Woodside Petroleum

# Key Takeaways

Exposure to a portfolio of South-east Asian gas development, appraisal and exploration assets

Conrad believe that the quickest and best way to reduce global emissions is to accelerate the energy transition. Conrad also believe that **gas will play an important role in progressing this cleaner energy transition in Indonesia and adjacent South-east Asian markets.**

- ✓ **Development** of Mako field to unlock strong cash flow and underpin company valuation<sup>1</sup>
- ✓ A **platform for growth** with a portfolio of appraisal and exploration opportunities plus experience in the region
- ✓ Growing office in Jakarta with **in country experience** and successful track record
- ✓ Improving outlook for South-east Asian gas demand as a transition fuel
- ✓ Led by a highly **experienced Board and Management** team with a track record delivering development projects in the region
- ✓ **Operator** of all its projects with **high Participating Interest** allows for control as well as ability to continue to fund operations via farmout or divestment of its interests as opposed to continued dilution at corporate level

Note : (1) Competent Person's Report (CPR) for Duyung by Gaffney, Cline & Associates (GaffneyCline) 26 August 2022 as outlined in the Company's IPO prospectus dated 9 September 2022.



# Corporate Snapshot & Capital Structure

ASX	CRD
Share on issue	159,398,988
Convertible Securities	15,770,790
Share Price (27 Jan 2023)	A\$1.25
Market Capitalisation (Fully Diluted)	A\$219m
Cash on Hand	US\$18.96m (A\$26.62m)

	CDIs		Fully Diluted	
Shareholder	#	%	#	%
Board & Management	37,155,726	23%	37,155,726	21%
Inspired International Limited	18,125,656	11%	18,125,656	10%
Transworld Oil Inc.	14,400,000	9%	14,400,000	8%
Other employees	699,424	0%	699,424	0%
Other existing Shareholders	58,196,265	37%	58,196,265	33%
Investors in recent IPO	30,821,917	19%	30,821,917	18%
Options			15,770,790	9%
<b>Total</b>	<b>159,398,988</b>	<b>100%</b>	<b>175,169,778</b>	<b>100%</b>

## Escrow arrangements

- Securities are subject to mandatory escrow arrangements and voluntary escrow arrangements; ~96.8% of the CDIs not issued to investors under the IPO are mandatory or voluntary escrowed.





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