

Prospectus

Conrad Asia Energy Ltd.

ARBN 656 246 678

For an offer of 30,821,917 CDIs at an issue price of A\$1.46 each to raise approximately A\$45,000,000 (with the ability to accept oversubscriptions to raise up to A\$55,000,000 (in aggregate))

Joint Lead Managers

BELL POTTER

cg/Canaccord
Genuity

Legal Adviser

CLAYTON UTZ

Important Notice

This document has been primarily issued to provide information on the public offer of CDIs over fully paid ordinary shares in the capital of Conrad Asia Energy Ltd. This document is important and should be read in its entirety. If, after reading this Prospectus you have questions about the CDIs being offered under this Prospectus or any other matter, then you should consult your professional advisers without delay.

An investment in the securities offered by this Prospectus should be considered as speculative

Important Information

This Prospectus is dated 9 September 2022 (**Prospectus Date**) and has been prepared by Conrad Asia Energy Ltd (**Conrad** or the **Company**) ARBN 656 246 678, a public company incorporated in Singapore. The information presented in this Prospectus is in connection with Conrad's listing to the Official List of the Australian Securities Exchange (**ASX**). This Prospectus has been lodged with the Australian Securities and Investments Commission (**ASIC**) simultaneously with a request for admission to the ASX.

The Offer

The Offer contained in this Prospectus is an initial public offering (**IPO**) for the purpose of Chapter 6D of the Corporations Act to acquire CHES Depository Interests (**CDIs**).

The Shares offered under this Prospectus will be issued to investors in the form of CDIs so that those investors may trade the shares on ASX and settle the transactions through CHES. Please note that in this Prospectus, the terms "Shares" and "CDI" may be used interchangeably, except where the context requires otherwise. Each CDI will represent one underlying Share.

Refer to Section 7 for further information on the Offer, including as to details of the securities that will be issued under this Prospectus.

Lodgement and listing

This Prospectus is dated as at the Prospectus Date and a copy of this Prospectus was lodged with ASIC on that date.

Conrad will apply to the ASX within seven days of this Prospectus Date for admission to the Official List and for quotation of CDIs on the ASX.

None of ASIC, ASX or their respective officers takes any responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

As set out in Section 7, it is expected that the CDIs will be quoted on the ASX. The Company, its Directors and officers, Boardroom Pty Limited (**Share Registry**), and Bell Potter Securities Limited and Canaccord Genuity (Australia) Limited (**Joint Lead Managers**) disclaim all liability, whether in negligence or otherwise, to persons who trade CDIs before receiving their holding statement.

Expiry Date

This Prospectus expires on the date that is 13 months after the Prospectus Date (**Expiry Date**). No CDIs will be issued or sold under this Prospectus after the Expiry Date.

ASX

Conrad has applied to the ASX for admission to the Official List and for Official Quotation of the CDIs on issue at the date of this Prospectus. A copy of the Prospectus has been lodged with ASX. The fact that the ASX may admit Conrad to its Official List is not to be taken in any way as an indication of the merits of Conrad. ASX accepts no responsibility for the contents of this Prospectus or for the merits of an investment in Conrad.

Admission to the Official List of the ASX, and Official Quotation of the CDIs, if granted, pursuant to this Prospectus, will commence as soon as practicable after ASX requirements for listing on the ASX have been met.

No guarantee can be given that Conrad will be granted admission to the Official List of the ASX or that the CDIs will be granted Official Quotation.

Corporations Act does not apply

Conrad is incorporated in Singapore and is registered as a foreign company under the Corporations Act. It is not incorporated under the laws of Australia.

As Conrad is established in Singapore, its general corporate activities (apart from any offering of securities in Australia) are regulated by the Companies Act 1967 of Singapore (**Singapore Companies Act**).

Not investment advice

The information contained in this Prospectus is not financial product advice and does not take into account the investment objectives, financial situation and particular needs (including financial and tax issues) of any prospective investor.

Consider risks of investments

It is important that you read this Prospectus carefully and in full before deciding whether or not to invest in Conrad. In particular, in considering the prospects of Conrad you should consider any forward looking statement, together with the risk factors that may affect Conrad's business, financial condition and results of operations. Some of the risk factors that should be considered by prospective investors are set out in Section 5 of this Prospectus. You should consider these factors carefully in light of your investment objectives, financial situation and particular needs (including financial and taxation issues). There may be risk factors in addition to these that should be considered in light of your personal circumstances. If you have any queries in connection with this Prospectus or in relation to an investment in Conrad, you should seek advice from your accountant, financial adviser, stockbroker, lawyer or other professional adviser before deciding whether or not to invest in the CDIs.

Disclosing entity

If admitted to the Official List, Conrad will be a disclosing entity for the purposes of the Corporations Act and, as such, will be subject to regular reporting and disclosure obligations under the Corporations Act and the ASX Listing Rules.

Disclaimer

Except as required by law, and only to the extent so required, neither Conrad, the Joint Lead Managers nor any other person warrants or guarantees the future performance of Conrad, the repayment of capital by Conrad, or the payment of a return on the CDIs made pursuant to this Prospectus.

To the maximum extent permitted by law, Conrad, the Share Registry and the Joint Lead Managers disclaim all liability, whether in negligence or otherwise to persons who sell or trade CDIs before receiving a holding statement, even if such persons received confirmation of allocation from the Offer Information Line or confirmed their firm allocation through a broker.

Each Joint Lead Manager has acted as lead manager to the Offer and has not authorised, permitted or caused the issue or lodgement, submission dispatch or provision of this Prospectus and there is no statement in this Prospectus which is based on any statement made by it or by any of its affiliates, directors, officers, employees, agents or advisers. To the maximum extent permitted by law, each Joint Lead Manager and each of its affiliates, directors, officers, employees, agents and advisers expressly disclaim all liabilities in respect of, make no representations regarding, and take no responsibility for any part of this Prospectus other than references to their name and address and make no representation or warranty as to the currency, accuracy, reliability or completeness of this Prospectus.

This disclaimer does not purport to disclaim any warranties or liability which cannot be disclaimed by law.

No person is authorised to give any information or to make any representation in connection with the Offer which is not included in this Prospectus. Any information or representation not included in this Prospectus may not be relied on as having been authorised by Conrad, the Directors or any other person involved in the preparation of this Prospectus or the making of the Offer. In making any investment decision, you should rely only on the information in this Prospectus.

Exposure Period

The Corporations Act prohibits Conrad from processing applications to acquire CDIs under this Prospectus (**Applications**) in the seven-day period after lodgement of this Prospectus with ASIC (**Exposure Period**). The Exposure Period may be extended by ASIC by up to a further seven days.

The purpose of the Exposure Period is to enable this Prospectus to be examined by market participants prior to the raising of funds. The examination may result in the identification of deficiencies in this Prospectus, in which case any Application may need to be dealt with in accordance with Section 724 of the Corporations Act.

Applications received during the Exposure Period will not be processed until after the expiry of the Exposure Period. No preference will be conferred on Applications received during the Exposure Period.

Obtaining a copy of this Prospectus

During the Exposure Period, an electronic version of this Prospectus without an Application Form will be available at www.conradasia.com for Australian investors only. Application Forms will not be made available until after the Exposure Period has expired.

During the period that the Offer is open, this Prospectus is available to Australian investors in electronic form at www.conradasia.com. The Offer constituted by this Prospectus in electronic form is available only to persons within Australia. It is not available to persons in other jurisdictions (including the United States) in which it would not be lawful to make such an offer or invitation. If you access the electronic version of this Prospectus, you should ensure that you download and read this Prospectus in its entirety.

You may, before the close of the Offer, obtain an electronic copy of this Prospectus by visiting www.conradasia.com or by telephoning the Offer Information Line on 1300 737 760 (from within Australia) or +61 2 9290 9600 (from outside of Australia) from 9am to 5pm AEST (Sydney, Australia), Monday to Friday, excluding public holidays (**Business Days**) or via email on corporateactions@boardroomlimited.com.au.

Applications for CDIs may only be made during the period the Offer is open, on an application form attached to or accompanying this Prospectus. By making an application, you represent and warrant that you were given access to this Prospectus, together with an Application Form. Refer to Section 7.4 and the Application Form for further information.

The Corporations Act prohibits any person from passing the Application Form on to another person unless it is attached to a paper copy of this Prospectus or the complete and unaltered electronic version of this Prospectus.

Statements of past performance

This Prospectus includes information regarding the past performance of Conrad. Past performance information given in this Prospectus is given for illustrative purposes only. Investors should be aware that past performance does not represent, and should not be relied upon as being indicative of future performance. Actual results could differ materially from the past performance information contained in this Prospectus.

Financial information and amounts

Section 4 of this Prospectus sets out in detail the Financial Information referred to in this Prospectus. The basis of preparation of the Financial Information is also set out in Annexure A.

All references to FY appearing in this Prospectus are to the financial year ended or ending, 31 December, unless otherwise indicated.

The Financial Information is presented on both an actual and pro forma basis and has been prepared and presented in accordance with the recognition and measurement principles of IFRS, which are consistent with interpretations issued by the IASB.

The Financial Information is presented in abbreviated form. It does not include all of the presentation and disclosures required by the IFRS and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the Corporations Act. The Financial Information in this Prospectus should be read in conjunction with, and is qualified by reference to, the information contained in Section 5 and Annexure A.

All financial amounts contained in this Prospectus are expressed in United States dollars (**US\$** or **\$**) unless otherwise stated. Some numerical figures included in this Prospectus have been subject to rounding adjustments. Any discrepancies between totals and sums of components in tables contained in this Prospectus are due to rounding.

An exchange rate of A\$:US\$0.7256 has been used throughout the Prospectus except where expressly noted otherwise.

Financial statements prepared in future periods will be prepared and audited in accordance with IFRS. Preparation of the

Financial Information and future financial statements in accordance with IFRS ensures compliance with Australian Accounting Standards.

Non-IFRS financial information

Investors should be aware that certain financial data included in this Prospectus is "non-IFRS financial information" under Regulatory Guide 230. Disclosing non-IFRS financial information, published by ASIC. Conrad believes this non-IFRS financial information provides useful information to users in measuring the financial performance and conditions of Conrad. The non-IFRS measures do not have standardised meanings prescribed by Australian Accounting Standards and therefore, may not be comparable to similarly titled measures presented by other entities, nor should they be construed as an alternative to other financial measures determined in accordance with Australian Accounting Standards. Investors are cautioned, therefore, not to place undue reliance on any non-IFRS financial information and ratios included in this Prospectus.

The Financial Information in this Prospectus should be read in conjunction with and is qualified by reference to the information contained in Section 4 and Annexure A.

Rounding

A number of figures, amounts, percentages, estimates, calculations of value and fractions in this Prospectus are subject to the effect of rounding. Accordingly, the actual calculation of these figures may differ from the figures set out in this Prospectus. References to minimum application amounts, and similar amounts may vary slightly compared to actual amounts due to rounding.

Independent Limited Assurance Report

The provider of the Independent Limited Assurance Report on the Financial Information is required to provide Australian retail clients with a financial services guide in relation to the review under the Corporations Act (**Financial Services Guide**). The Independent Limited Assurance Report and accompanying Financial Services Guide are provided in Annexure B.

Qualified Reserves and Resources Evaluator's Statement

The resource estimates contained in this Prospectus are consistent with the definitions of hydrocarbon reserves and resources as defined in the ASX Listing Rules and are classified in accordance with the Petroleum Resources Management System (2007) and Guidelines for the Application of Petroleum Resources Management System (June 2018, v1.01) as approved by the Society of Petroleum Engineers. The information in this Prospectus which relates to the Petroleum Reserves and Contingent Resources at the Mako Gas Field, Duyung PSC, West Natuna Sea is as at 26 August 2022 and is based on, and fairly and accurately represents, in the form and context in which it appears, information and supporting documentation prepared by, or under the supervision of, Andrew Duncan of Gaffney, Cline & Associates, who is a qualified petroleum reserves and resources evaluator and member of the Society of Petroleum Engineers and the Association of International Petroleum Negotiators, with sufficient experience which is relevant to the evaluation and estimation

of Petroleum Reserves and Contingent Resources to qualify as a Qualified Reserves and Resources Evaluator as defined in the ASX Listing Rules. Andrew Duncan is not an employee of Conrad or a related party of Conrad but is an employee of Gaffney, Cline and Associates. Andrew Duncan has consented to the inclusion in this Prospectus of the matters based on his information in the form and context in which they appear.

Forward Looking Statements

This Prospectus contains certain "forward looking statements" which may be identified by words such as "believes", "considers", "could", "estimates", "expects", "intends", "may", "anticipate", "likely", "should", "predict", "plan", "propose", "will", "forecast", "target" and other similar words that involve risks and uncertainties. Certain statements, beliefs and opinions contained in this Prospectus, particularly those regarding the possible or assumed future financial or other performance of Conrad, industry growth or other trend projections and those that address future expectations of demand and supply of natural gas are or may be forward-looking statements.

Any forward looking statements are subject to various known and unknown risk factors that may cause Conrad's actual results and circumstances to differ materially from the results and circumstances expressed or anticipated in these statements. Such statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of Conrad's or its Directors. Forward looking statements should be read in conjunction with, and are qualified by reference to, risk factors as set out in Section 5 and other information in this Prospectus.

Conrad and the Joint Lead Managers cannot and do not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this Prospectus will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements. Conrad has no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this Prospectus, except to the extent required by law.

The forward-looking statements in this Prospectus reflect the current expectations, assumptions or beliefs of Conrad based upon information currently available to Conrad. With respect to forward-looking statements contained in this document, assumptions have been made regarding, among other things, the reliability of information prepared and/or published by third parties that is referenced in this document or was otherwise relied upon by Conrad in preparing this document. Although Conrad believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and no assurance can be given that these expectations will prove to be correct as actual results or developments may differ materially from those projected in the forward-looking statements. Factors that could cause actual results

Important Information

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to differ materially from those in forward-looking statements include unforeseen technology changes that results in a reduction in natural gas and petroleum demand or substitution by other energy sources, the discovery of new large low-cost deposits of natural gas and petroleum and the general level of global economic activity. Readers are cautioned not to place undue reliance on forward-looking statements due to the inherent uncertainty thereof.

This Prospectus uses market data, industry forecasts and projections. Conrad has obtained significant portions of this information from market research and commentary prepared by third parties. There is no assurance that any of the forecasts or forward looking information contained in the reports Conrad surveys and research of such third parties that are referred to in this Prospectus will be achieved. Conrad has not independently verified this information. Estimates involve risks and uncertainties and are subject to change based on various factors, including those discussed in the key risk factors in Section 5.

Selling restrictions in foreign jurisdictions

This Prospectus does not constitute an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation. No action has been taken to register or qualify the CDIs or the Offer, or to otherwise permit a public offering of CDIs, in any jurisdiction outside Australia.

The distribution of this Prospectus (including in electronic form) outside Australia may be restricted by law and persons who come into possession of this Prospectus outside Australia should observe any such restrictions, including those observed in Annexure C. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

In particular, this Prospectus does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States. The CDIs have not been, and will not be, registered under the US Securities Act of 1933 or the securities laws of any state or other jurisdiction of the United States. Accordingly, the CDIs may not be offered or sold in the United States except in transactions exempt from, or not subject to, the registration requirements of the US Securities Act and applicable US state securities laws. This Prospectus may only be distributed in the United States to Institutional Investors by a registered US broker-dealer of the Joint Lead Managers and only if this Prospectus is accompanied by the US Offering Circular.

The taxation treatment of Australian securities, including the CDIs, may not be the same as those for securities in jurisdictions outside Australia. If you are uncertain about whether this investment is appropriate for you, you should seek the advice of your accountant, financial adviser, stockbroker, lawyer or other professional adviser.

No cooling off rights

Cooling off rights do not apply to an investment in CDIs offered under this Prospectus. This means that, in most

circumstances, you cannot withdraw your Application once it has been accepted.

Offer subject to quotation

If ASX does not admit the CDIs to quotation on the Official List before the expiration of three months after the date of issue of this Prospectus, or such period as varied by ASIC, the Company will not allot or issue any CDIs and will repay all monies paid by Applicants for the CDIs within the time prescribed under the Corporations Act, without interest.

Photographs and diagrams

Photographs and diagrams used in this Prospectus that do not have descriptions are for illustration only and should not be interpreted to mean that any person shown in them endorses this Prospectus or its contents or that the assets or products shown in them are, or on Completion will be, owned, sold or supplied by Conrad. Diagrams used in this Prospectus are illustrative only and may not be drawn to scale. Unless otherwise stated, all data contained in charts, graphs and tables is based on information available at the Prospectus Date.

Documents available on website

Any references to documents included on Conrad's website at www.conradasia.com are provided for convenience only, and none of the documents or other information available on the website or any other website referred to in the sources contained in this Prospectus, is incorporated in this Prospectus by reference. The Offer constituted by this Prospectus in electronic form is available only to persons within Australia.

Applications

Applications for CDIs under this Prospectus may only be made during the Offer Period by completing an Application Form included in, or accompanying, this Prospectus in its hard copy form, or in its electronic form which must be downloaded in its entirety from www.conradasia.com, together with an electronic copy of this Prospectus. By making an Application, you declare that you were given access to this Prospectus, together with an Application Form. The Corporations Act prohibits any person from passing the Application Form on to another person unless it is included in, or accompanied by, this Prospectus in its hard copy form or the complete and unaltered electronic copy of this Prospectus.

Refer to Section 7.4 and the Application Form for further information.

Privacy

By filling out and submitting an Application Form to apply for CDIs, you hereby agree to be bound by Conrad's privacy policy, and consent to providing Personal Information or Personal Data (as defined in Conrad's privacy policy) to Conrad and the Share Registry, which is contracted by Conrad to manage Applications, for the purposes stated herein and in Conrad's privacy policy. Conrad, and the Share Registry on its behalf, may collect, hold, use and disclose that Personal Information for the purposes of processing your Application, servicing your needs as a Shareholder, providing facilities, services that you need or request, communicating with you in electronic form or contacting you by telephone in relation to the Offer,

and carrying out appropriate administration. If you do not provide the information requested in the Application Form, or withdraw your consent to Conrad's and the Share Registry's collection, use, disclosure, and processing of your Personal Information or Personal Data, Conrad and the Share Registry may not be able to process or accept your Application.

Once you become a Shareholder, the Corporations Act and Australian taxation legislation require information about you (including your name, address and details of the CDIs you hold) to be included in the Share register of Conrad. In accordance with the requirements of the Corporations Act, information on the Share register will be accessible by members of the public. The information must continue to be included in the Share register if you cease to be a Shareholder.

Conrad and the Share Registry may use your Personal Information or Personal Data from time to time to inform you about other products and services offered by Conrad which they consider may be of interest to you. Your Personal Information or Personal Data may also be provided to Conrad's agents and service providers on the basis that they deal with such information in accordance with Conrad's privacy policy. The members, agents and service providers of Conrad may be located outside Australia or Singapore and any transfers overseas to the aforementioned agents and service providers will be in accordance with Conrad's privacy policy. The types of agents and service providers that may be provided with your Personal Information or Personal Data and the circumstances in which your Personal Information or Personal Data may be shared include those listed below or as otherwise authorised under the *Privacy Act 1988* (Cth):

- The Share Registry for ongoing administration of the share register;
- The Joint Lead Managers in order to assess your Application;
- Brokers for the purpose of providing their services;
- Printers and other companies for the purpose of preparation and distribution of statements and for handling mail;
- Market research companies for the purpose of analysing the Shareholder base and for product development and planning; and
- Legal and accounting firms, auditors, contractors, management consultants and other advisers for the purpose of administering, and advising on, the CDIs and for associated actions.

Information contained in Conrad's Share Register is also used to facilitate corporate communications (including Conrad's financial results, annual reports and other information that Conrad may wish to communicate to its Shareholders) and compliance by Conrad with legal and regulatory requirements.

An applicant has a right to access, correct and update his or her Personal Information or personal Data that Conrad and the Share Registry hold about that person, subject to certain exemptions under law. A reasonable fee may be charged for access. Access requests must be made in writing or by telephone call to the Share Registry's office, details of which are disclosed in the corporate directory on the final page of this Prospectus. Conrad will aim to ensure that the Personal

Information or Personal Data it retains about you is accurate, complete and up to date. To assist with this, please contact the Share Registry if any of the details you have provided change.

Applicants can obtain a copy of Conrad's privacy policy by visiting the Conrad website www.conradasia.com/about/#corporate-governance.

Logos

This Prospectus contains trademarks that belong to Conrad and may also contain trademarks and trade names of third parties, which are the property of their respective owners. Third-party trademarks and trade names used in this Prospectus belong to the relevant owners and use is not intended to represent sponsorship, approval or association by or with the Company or the Joint Lead Manager.

Defined terms, abbreviations and time

Capitalised terms used in this Prospectus have the specific meaning given to them in the Glossary Section in Section 9.

Regulation of Conrad

As Conrad is established in Singapore, its general corporate activities (apart from any offering of securities in Australia) are regulated by the Singapore Companies Act and the Singapore Accounting and Corporate Regulatory Authority.

Business conduct of the Group will typically be subject to general laws in the jurisdictions in which that conduct occurs.

There are differences in how securities and financial products are regulated under Singapore law and Australian law. The rights, remedies and compensation arrangements available to Australian investors in Singapore securities and financial products may differ from the rights, remedies and compensation arrangements for Australian securities and financial products. The taxation treatment of Singapore securities and financial products is not the same as that for Australian securities and products.

As the CDIs will be listed on the ASX and the Company is registered as a foreign company in Australia, the Company will also need to ensure continuous compliance with relevant Australian laws and regulations, including the ASX Listing Rules and the Corporations Act.

Unless otherwise stated:

- any reference to dollars, \$ or cents refers to US dollars and cents;
- any references to dates and times are to dates and times in Australia;
- all data contained in charts, graphs and tables is based on information available at the date of this document; and
- all numbers are rounded unless otherwise indicated.

Questions

If you have any questions about this Prospectus or how to apply for CDIs, you should seek advice from your accountant, financial adviser, stockbroker, lawyer or other professional adviser. Instructions on how to apply for CDIs are set out in Section 7.4 and on the Application Form. Alternatively, please contact the Offer Information Line on 1300 737 760 (toll free from within Australia) or +61 2 9290 9600 (from outside of Australia) between 9am to 5pm AEST (Sydney, Australia), Business Days or corporateactions@boardroomlimited.com.au during the Offer Period.

Offer management

This Offer is managed by Bell Potter Securities Limited ACN 006 390 772 (**Bell Potter**) and Canaccord Genuity (Australia) Limited ACN 075 071 466 (**Canaccord Genuity**) (together, the **Joint Lead Managers**).

This document is important and should be read in its entirety before making any investment decision.

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Key Offer Details

Important Dates

Prospectus Date	Friday, 9 September 2022
Broker Firm Offer, Priority Offer, the Institutional Offer and Public Offer opens	Monday, 19 September 2022
Public Offer closes	Friday, 7 October 2022
Broker Firm Offer, Priority Offer and Institutional Offer closes	Friday, 14 October 2022
Settlement	Wednesday, 19 October 2022
Issue of CDIs under the Offer	Thursday, 20 October 2022
Expected despatch of holding statements and allotment confirmation advices (CDIs)	Friday, 21 October 2022

Note: This timetable is indicative only and may change without notice. Unless otherwise indicated, all times are stated in AEST.

The Company and the Joint Lead Managers reserve the right to vary the dates and times, either generally or in particular cases, without notification (including, subject to ASX Listing Rules and the Corporations Act, to close the Offer early, to extend the date the Offer closes, to accept late Applications or bids, either generally or in particular cases, or to cancel or withdraw the Offer before settlement, in each case without notifying any recipient of this Prospectus or any applicants). Conrad may accept Applications in its discretion, and the Offer remains open for it to do so, under this Prospectus until admission of Conrad to the Official List. If the Offer is cancelled or withdrawn before the allocation of CDIs, then all application monies will be refunded in full (without interest) as soon as possible in accordance with the requirements of the Corporations Act. Investors are encouraged to submit their Applications as soon as possible after the Offer opens.

Currency in this Prospectus

All financial amounts contained in this Prospectus are expressed in United States dollars (**US\$** or **\$**) unless otherwise stated. Some numerical figures included in this Prospectus have been subject to rounding adjustments. Any discrepancies between totals and sums of components in tables contained in this Prospectus are due to rounding. Where necessary an exchange rate of A\$1:US\$0.7256 has been used throughout the Prospectus to convert the Offer Price and related metrics (eg Offer proceeds and use of funds) from Australian dollars to United States dollars, except where expressly noted otherwise.

How to Invest

Applications for CDIs can only be made by completing and lodging the Application Form attached to or accompanying this Prospectus. Instructions on how to apply for CDIs are set out in Section 7.4 of this Prospectus and on the Application Form.

Questions

Please call the Offer Information Line on 1300 737 760 (toll free from within Australia) or +61 2 9290 9600 (from outside of Australia) between 9am to 5pm AEST (Sydney, Australia) on Business Days, or via email at corporateactions@boardroomlimited.com.au. If you have any questions about whether to invest in Conrad you should seek professional advice from your financial adviser, stockbroker, lawyer, accountant, tax adviser or other independent and qualified professional adviser before deciding whether to invest in the CDIs.

Key Offer Statistics

Offer Statistics	Before accepting Oversubscriptions	Assuming all Oversubscriptions are accepted
Securities offered under the Offer	CDIs ¹	CDIs ¹
Ratio of CDIs per Share	1 Share for 1 CDI	1 Share for 1 CDI
Current Shares on issue	128,577,071	128,577,071
Offer Price per CDI	A\$1.46	A\$1.46
Total number of CDIs available under the Offer	30,821,917	37,671,232
Gross proceeds of the Offer	A\$45.0 million	A\$55.0 million
Total number of Shares/CDIs on Completion (including CDIs issued)	159,398,988	166,248,303
Warrants and Options ²	11,926,174	11,926,174
Share Rights ³	3,844,616	3,844,616
Total number of securities on issue (fully diluted ⁴)	175,169,778	182,019,093
Indicative Market Capitalisation ⁵ at the Offer Price	A\$232.7 million	A\$242.7 million
Pro forma net cash/(debt) ⁶ (as at 30 June 2022)	A\$38.4 million	A\$47.9 million
Enterprise value ⁷ at the Offer Price	A\$194.3 million	A\$194.8 million

Notes:

- CDIs are CHESS Depository Interests over underlying Shares. Refer to Section 8.11 for further information on CDIs. All investors under the Offer will receive CDIs. Existing investors who will retain an investment in Conrad on Completion will hold CDIs on Completion. Consequently, this Prospectus is drafted on the basis that all Shares at Completion will be deposited with CDN and a CDI issued in respect of each Share. Final numbers of CDIs (and Shares) will be advised to ASX on or about admission of the Company to the Official List.
- These are the Options (described in Section 6.13), Loan Warrants (described in Section 6.14) and SAFE Warrants (described in Section 6.16) that will be on issue on Completion. Each Warrant or Option is expressed as being over 1 CDI.
- Share Rights are each over 1 CDI. Refer to Section 6.13 for further information on Share Rights.
- Fully diluted refers to the total number of CDIs, Share Rights, Options, Loan Warrants and SAFE Warrants on issue on Completion.
- Indicative market capitalisation equals the Offer Price multiplied by the total number of CDIs on issue at Completion.
- Pro forma net cash/(debt) as at 30 June 2022 is calculated as actual net cash as at 31 December 2021, plus the cash proceeds raised under the Offer, plus proceeds raised under the SAFE, less lease liabilities, less cash spent on operating activities subsequent to 31 December 2021, less costs of the Offer. Refer to Section 4.3.6 for further information. The US dollar values have been converted into Australian dollars at the exchange rate of A\$1:US\$0.7256.
- Enterprise value at the Offer Price is defined as indicative market capitalisation at the Offer Price (excluding the value of Warrants, Options and Share Rights), less pro forma net cash as at 30 June 2022.

Letter from the Chairman

9 September 2022

Dear Investor,

On behalf of the Board, I am pleased to invite you to consider becoming a Shareholder of Conrad as it embarks on its proposed listing on the ASX.

Conrad is an energy company focused on the exploration, appraisal, and development of natural gas projects in the Offshore Waters of Indonesia, the 4th most populous country in the world. The Company's flagship asset is its 76.5% working interest in the Duyung PSC, which contains the Mako Gas Field, one of the largest undeveloped gas fields in the prolific West Natuna Basin, Indonesia.

After first discovering Mako in 2017, Conrad secured approval of an initial plan of development and has subsequently undertaken extensive appraisal work to delineate a full field 2C Resource of 413 Bcf (on a 100% basis). The Company is working with the Government of Indonesia on a revised plan of development to accommodate greater gas volumes and production rates, and is currently in the process of negotiating gas sales agreements with potential buyers in Singapore and Indonesia. The revised plan contemplates 12 years of production commencing in 2025.

In addition to the Duyung PSC, Conrad operates a portfolio of oil and gas licences containing Leads and Prospects. The Company believes there is significant exploration upside potential provided through its Offshore Mangkalihah PSC (OM) and via the Aceh Joint Study Areas. The Aceh Joint Study Areas contain numerous offshore gas discoveries as well as large exploration opportunities.

Asia's demand for both oil and natural gas continues to grow as the region seeks access to cheap, locally sourced power to fuel its strong economic growth and as an alternative transition fuel. In 2020, Asia represented more than one third of global oil demand and more than one fifth of global natural gas demand.¹ In particular, the Company will be targeting the Singapore market, in which natural gas has accounted for 95% of power generation since 2014.² Conrad believes there is a significant market opportunity in Asia to provide natural gas as a cleaner alternative to carbon intensive coal power generation and enable the region to sustain its strong economic growth as it transitions to renewable energy over the coming decades.

Conrad has built a quality Board and management team with a wealth of experience in technical, operational and financial roles in the oil and gas sector. This experience has allowed Conrad to operate with a strategy of identifying and acquiring undervalued, overlooked, and technically misunderstood gas assets in Indonesia.

Conrad considers an investment in the Company to be compelling for a number of reasons including:

- attractive portfolio of assets focused on offshore gas in Asia;
- operatorship of the Mako Gas Field, one of the largest undeveloped resources in the West Natuna Sea;
- significant upside from continued appraisal and exploration on existing asset base;
- compelling gas market and regional energy fundamentals;
- multitude of near-term catalysts for value accretion; and
- experienced Board and Management Team with proven track record.

The purpose of the Offer is to raise approximately A\$45 million, by the issue of CDIs over fully paid ordinary Shares. 30,821,917 CDIs will be issued, at an issue price of A\$1.46 per CDI (with the ability to accept oversubscriptions to raise up to A\$55 million (in aggregate)). The CDIs will be issued at a ratio of 1 CDI for 1 Share. Proceeds of the Offer are primarily intended to be used for:

- maturation of the Mako Gas Field including front end engineering and long lead items required for the development of the gas field;
- further work on the joint study areas in Aceh and their conversion into a production sharing contract; and
- seismic acquisition over Leads identified in both the Offshore Mangkalihah PSC and should they be converted into PSCs the Aceh joint study areas.

1. BP, Statistical Review of World Energy 2021 (70th edition)

<<https://www.bp.com/en/global/corporate/energy-economics/statistical-review-of-world-energy.html>>.

2. Energy Market Authority of Singapore, Singapore Energy Statistics 2021 <<https://www.ema.gov.sg/singapore-energy-statistics/>>.

Following completion of the Offer, Conrad has a number of near-term priorities, with the Company's highest near-term priority to bring Mako to FID. The Board believes that there are significant catalysts to occur post-listing which include:

- completion of the Mako plan of development – (Q4 CY2022);
- gazetting of Aceh Joint Study Areas – (Q4 CY2022);
- conclusion of Mako Gas Sales Agreement(s) – (Q4 CY2022);
- bringing the Mako field through Front-End Engineering and Design (FEED) to Final Investment Decision (FID) to meaningfully enhance the value of the asset – (Mid CY2023); and
- continuing to mature various prospects in the Offshore Mangkalihat PSC (OM) – (through CY2023).

We are excited to be able to offer incoming shareholders an opportunity to participate in the growth of Conrad and the development of its exciting portfolio of energy assets.

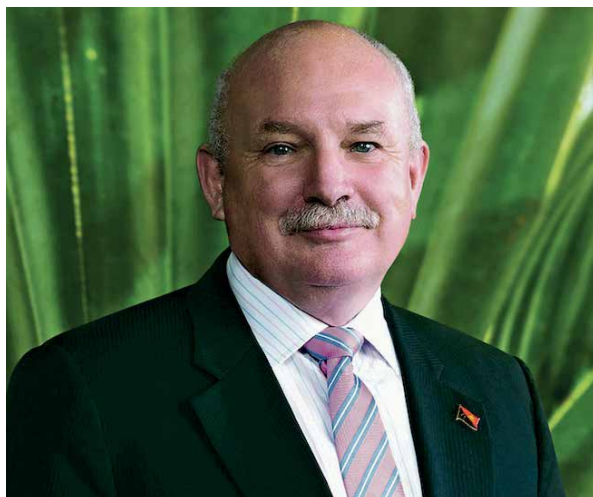
The information in this Prospectus contains detailed information about the financial and operating performance of the Company. It also includes a description of the key risks associated with an investment in the Company including political, litigation, regulatory, permits and permitting process, disruptions in processing, exploration, insurance, environmental and COVID-19 risks. I encourage you to read this Prospectus carefully and in its entirety before making your investment decision.

On behalf of the Board, I invite you to consider this opportunity to invest in the Company and look forward to welcoming you as a Shareholder.

Yours sincerely,



Peter Botten CBE AC
Chairman



“

Asia's demand for both oil and natural gas continues to grow as the region seeks access to cheap, locally sourced power to fuel its strong economic growth and as an alternative transition fuel.



1. Investment Overview

1. Investment Overview

This Section 1 is a summary only and is not intended to provide full information for investors intending to apply for any CDIs offered pursuant to this Prospectus. This Prospectus should be read and considered in its entirety. The CDIs offered under this Prospectus carry no guarantee in respect of return of capital, return on investment or payment of dividends nor can any guarantee be given about the future value of the CDIs offered pursuant to this Prospectus or that the Company will ever generate any income from its assets. An investment in the CDIs offered pursuant to this Prospectus should be considered as highly speculative.

1.1 Overview of Conrad

Topic	Summary
Who is Conrad?	<p>Conrad is an energy company currently focused on the exploration, appraisal, and development of natural gas projects in Southeast Asia and particularly in the Offshore Waters.</p> <p>The Company is incorporated in Singapore with operational headquarters in Jakarta, Indonesia and has 36 employees as of the Prospectus Date. Conrad, via its wholly owned subsidiaries, is the holder of operated tenements in the form of Production Sharing Contracts (PSC), listed below:</p> <ul style="list-style-type: none"> • Duyung PSC (76.5% Participating Interest) (Duyung); and • Offshore Mangkalihat PSC (100% Participating Interest) (OM). <p>The PSCs contain a range of defined resources through to Leads and Prospects.</p> <p>Conrad has submitted their bids for the two joint study areas (JSAs), being Offshore Northwest Aceh and Offshore Southwest Aceh in the offshore Aceh Province in Indonesia (together, the Aceh JSAs). The tender process is currently ongoing with a bid submission date of 6 September 2022. PSCs for these Aceh JSAs would be under the Cost Recovery Scheme, the proposed fiscal terms for which are summarised in Section 2.5.</p> <p>For further information, refer to Section 2.1.</p>
What is Conrad's history?	<p>Conrad was incorporated as a Singapore company on 17 December 2010 for the purpose of exploring, appraising, and developing offshore energy projects in Indonesia. Conrad was awarded Offshore North X-Ray PSC (ONXR) in May 2013 following the completion of a joint study that was performed. For the following three years, the Company focused solely on the exploration program of ONXR.</p> <p>In early 2016, Conrad raised further capital and acquired a 100% interest in the Duyung PSC.</p> <p>For further information and an outline of Conrad's key milestones, refer to Section 2.4.</p>
What jurisdictions does Conrad operate in?	<p>Conrad is incorporated in Singapore with operational headquarters in Jakarta, Indonesia. The two operated PSCs held by Conrad are located in the Offshore Waters of Indonesia.</p> <p>Duyung is located in the Riau Islands Province, Indonesian waters in the West Natuna area, approximately 100 kilometres north of Matak Island and approximately 400 kilometres northeast of Singapore.</p> <p>OM covers a working area of 1,640 square kilometres in the Tarakan Basin, northeast Kalimantan. The two Aceh JSAs are located offshore Northwest Sumatra within the Aceh Province of Indonesia and cover a combined area of approximately 20,000 square kilometres.</p> <p>For further information, refer to Section 2.5.</p>

1. Investment Overview Cont.

Topic	Summary
What industries and markets does Conrad operate in?	<p>Conrad operates within the Asian oil and gas industry with a current focus on the exploration, appraisal and development of offshore natural gas projects in Indonesia. Asia³ is increasingly becoming a major consumer of both oil and natural gas, representing 36% of global oil demand and 21% of global natural gas demand in 2020.⁴</p> <p>Indonesia is a major global producer of both oil and natural gas. In 2020, Indonesia produced 743,000 barrels of oil per day (Bopd) and 6.1 Bcf of natural gas.⁵ While this makes Indonesia the third largest producer of both oil and natural gas in Asia, its production of both oil and natural gas has not been able to keep up with growing domestic demand.⁶</p> <p>The Company, via its flagship asset, the Mako Gas Field, is principally targeting the Singapore market, while the remaining assets and areas of interest (e.g. the discovered resources in Aceh) are targeting the domestic Indonesian gas market. All gas used in Singapore is imported. Approximately 85% of natural gas consumed in Singapore is used in power generation, and natural gas has accounted for approximately 95% of power generation in Singapore since 2014.⁷</p> <p>For further information, refer to Section 3.</p>
Who are Conrad's competitors?	<p>Many companies compete to explore for, appraise and produce oil and natural gas in Indonesia. These include state-owned oil companies, and domestic and international oil companies of various sizes including majors.</p> <p>Pertamina, the state-owned integrated energy company of Indonesia, through several subsidiaries, is the largest market participant actively exploring for, developing and producing oil and natural gas in Indonesia. Other Indonesian operators include: Medco Energi, Saka Energi (now a Pertamina Subsidiary) and Energi Mega Persada.</p> <p>BP, through its participation in Tangguh LNG, is the largest gas producer in Indonesia, whilst ExxonMobil is the largest foreign oil producer in the country.</p> <p>For further information, refer to Section 3.3.</p>

3. Unless otherwise noted, "Asia" defined in this Prospectus as "Asia Pacific" excluding Australia and New Zealand.

4. Energy Market Authority of Singapore, Singapore Energy Statistics 2021, Chapter 2, Fuel Mix for Electricity Generation. <<https://www.ema.gov.sg/singapore-energy-statistics/>>.

5. bp, Statistical Review of World Energy 2021, 70th edition, Statistical Review of World Energy – all data, 1965-2020 – xlxs download, "Oil Production – Barrels" worksheet. Statistical Review of World Energy – all data, 1965-2020.

6. bp, Statistical Review of World Energy 2021, 70th edition, Statistical Review of World Energy – all data, 1965-2020 – xlxs download, comparison of "Oil Consumption – Barrels" with "Oil Production – Barrels" worksheets and "Gas Consumption – Bcf" with "Gas Production – Bcf" worksheets. Statistical Review of World Energy – all data, 1965-2020.

7. Energy Market Authority of Singapore, Singapore Energy Statistics 2021. <<https://www.ema.gov.sg/singapore-energy-statistics/>>.

1.2 Key Features of Conrad's Business Model

Topic	Summary
<p>What are Conrad's key assets?</p>	<p>Conrad, via its subsidiary companies, holds interests in two PSCs in Indonesia and has completed two joint studies under the Aceh JSAs.</p> <p>Duyung PSC – Mako Gas Field</p> <p>Conrad has a 76.5% Participating Interest in the Duyung PSC via its wholly owned subsidiary, West Natuna Exploration Limited (WNEL), and is located in the Riau Islands Province, Indonesian waters in the West Natuna area. Duyung is located approximately 100 kilometres to the north of Matak Island and about 400 kilometres northeast of Singapore.</p> <p>The PSC was awarded under Indonesia's "cost recovery regime", originally covering an area of 4,641 square kilometres. After a series of mandatory relinquishments of parts of the working areas covered by the PSC, following the completion of exploration program commitments, Duyung now covers an area of 927 square kilometres as at the Prospectus Date. In early 2019, Conrad, the other Duyung Participating Interest holders, and the Indonesian Government amended and restated the PSC under Indonesia's "gross split scheme".</p> <p>The Duyung PSC contains the Mako Gas Field, which was discovered by Conrad through the drilling of the Mako South-1 well in 2017. A Plan of Development (POD) for the field was approved in 2018, a time when the discovered resources were considerably smaller than today, and Conrad is currently working with the Indonesian Government of Indonesia on a revision of the current POD (the POD Revision) to incorporate additional resources discovered, increased potential production rates and changes to the proposed facilities used for delivering gas from the Mako Gas Field resulting from the additional appraisal work and third-party resource audit. The implementation of the initial POD is required to be progressed no later than 5 years from the approval of the POD, otherwise, absent the consent of MEMR or the award of a revised POD, Duyung will automatically terminate. Conrad has secured substantial alignment with SKK Migas regarding the POD Revision; the plan now awaits formal approval by MEMR. See further information in Section 2.5.</p> <p>GaffneyCline conducted a revised, independent assessment of the field and estimates that the Mako Gas Field contains gross field 2C Contingent Resources of 413 Bcf (100%), with 215 Bcf of 2C Contingent Resources attributable to Conrad under its Participating Interest in Duyung, as noted in the Competent Person's Report in Annexure D.</p> <p>Conrad is currently in the process of negotiating Gas Sales Agreements (GSAs) with potential gas buyers based in Singapore and Indonesia for gas to be produced from the Mako Gas Field. Conrad has entered into heads of agreement (HOA) with potential Singapore buyers with the view to further negotiations to enter into formal GSAs (subject to the approval of the POD Revision and GSAs).</p>

1. Investment Overview Cont.

Topic	Summary
<p>What are Conrad's key projects? continued</p>	<p>Offshore Mangkalihat PSC</p> <p>Conrad has a 100% operated interest in OM via its wholly owned subsidiary Conrad Petroleum OM Pte Ltd (Conrad OM). OM is currently subject to an approval of an extension of time by MEMR for Conrad to complete its existing exploration commitments under the PSC by 4 July 2023 (refer to Section 2.5(b)(iv)). Conrad is currently negotiating a further extension period with the Government of Indonesia.</p> <p>OM covers a working area of 1,640 square kilometres in the Tarakan Basin, northeast Kalimantan. The working areas are located offshore in shallow water depths ranging from 2 to 100 metres. OM comprises three working areas – two small areas in the south (referred to as the Southern OM Block) and a single larger block in the north (referred to as the Northern OM Block).</p> <p>Conrad has identified Leads that it intends to explore through the acquisition of further seismic data, and, subject to results, may proceed to the drilling of exploration wells.</p> <p>Offshore North X-Ray PSC</p> <p>Conrad had a 100% operated interest in ONXR via its wholly owned subsidiary, Conrad Petroleum (V) Ltd. Following the expiry of the exploration period, the Government of Indonesia confirmed the termination of ONXR on 23 May 2022.</p> <p>All work commitments have been fulfilled for ONXR and Conrad has started the process of relinquishing ONXR back to the Government of Indonesia and SKK Migas and MEMR have acknowledged and approved the termination of the ONXR PSC.</p> <p>Offshore Aceh JSAs</p> <p>Conrad has completed work on two JSAs located offshore northwest Sumatra within the Aceh Province of Indonesia, being the Aceh JSAs. The two Aceh JSAs cover a combined area of approximately 20,000 square kilometres, with each area containing gas discoveries. The MEMR has announced the bid process of the Aceh JSAs. The bid submission closing date is 6 September 2022 with the PSC contracts expected to be signed during early December 2022.</p> <p>For further information, refer to Section 2.5.</p>

Topic	Summary																																		
<p>What are the estimated Contingent Resources of the Company?</p>	<p>The Mako Gas Field has been independently estimated by GaffneyCline (26 August 2022) to contain gross 2C resources of 413 Bcf (215 Bcf attributable to Conrad within the life of the PSC). These resources place the Mako Gas Field as one of the largest gas discoveries in the West Natuna sea and one of the largest undeveloped gas resources in that area.</p> <p>These estimates are summarised below:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th rowspan="2"></th> <th colspan="3" style="text-align: center;">Gross Field Resources (Bcf)</th> <th colspan="3" style="text-align: center;">Resources attributable to Conrad (Bcf)</th> </tr> <tr> <th style="text-align: center;">1C</th> <th style="text-align: center;">2C</th> <th style="text-align: center;">3C</th> <th style="text-align: center;">1C</th> <th style="text-align: center;">2C</th> <th style="text-align: center;">3C</th> </tr> </thead> <tbody> <tr> <td>Up to PSC expiry or economic limit test (ELT), whichever is the earlier</td> <td style="text-align: center;">249</td> <td style="text-align: center;">413</td> <td style="text-align: center;">442</td> <td style="text-align: center;">130</td> <td style="text-align: center;">215</td> <td style="text-align: center;">230</td> </tr> <tr> <td>Beyond PSC expiry or ELT, whichever is the earlier</td> <td style="text-align: center;">–</td> <td style="text-align: center;">24</td> <td style="text-align: center;">336</td> <td style="text-align: center;">–</td> <td style="text-align: center;">13</td> <td style="text-align: center;">168</td> </tr> <tr> <td>Total Resources</td> <td style="text-align: center;">249</td> <td style="text-align: center;">437</td> <td style="text-align: center;">779</td> <td style="text-align: center;">130</td> <td style="text-align: center;">227</td> <td style="text-align: center;">398</td> </tr> </tbody> </table> <p>Notes:</p> <ol style="list-style-type: none"> Gross field estimates of Contingent Resources are 100% of the volumes estimated to be recoverable from the Mako Gas Field in the event that it is developed according to POD Revision. The POD Revision remains subject to the approval of SKK Migas and is discussed in further detail in Section 2.5(a)(vi) below. The estimate of Contingent Resources attributable to Conrad is determined by Conrad's Participating Interest in Duyung and assuming 88% of the gas initially in place for the Mako Gas Field is covered by the working areas in Duyung. Duyung will expire on 16 January 2037. The economic limit test refers to the estimated final production year of each category of Contingent Resources. It is estimated that final economic production year prior to the expiry of Duyung for 1C, 2C and 3C Contingent Resources is 2032, 2036 and 2036, respectively. Notwithstanding the expiry of Duyung on 16 January 2037, it is estimated that 3C Contingent Resources could be produced commercially up to 2050. The estimated Contingent Resources in this table are "unrisked" and has not been adjusted for any potential risk that the asset may not developed, or may not be developed in accordance with the plan of development. Totals may not exactly equal the sum of the individual items due to rounding. 		Gross Field Resources (Bcf)			Resources attributable to Conrad (Bcf)			1C	2C	3C	1C	2C	3C	Up to PSC expiry or economic limit test (ELT), whichever is the earlier	249	413	442	130	215	230	Beyond PSC expiry or ELT, whichever is the earlier	–	24	336	–	13	168	Total Resources	249	437	779	130	227	398
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<p>How does Conrad generate revenue?</p>	<p>Conrad will begin generating revenue once the Mako Gas Field is in production. As noted in the Competent Person's Report for Duyung in Annexure D and under the terms of the POD Revision (the terms of which are subject to SKK Migas/MEMR approval), Conrad is aiming to produce gas from the Mako Gas Field for delivery to potential buyers in 2025. This estimate assumes that a Final Investment Decision (FID) for the Mako Gas Field will be made by mid 2023, which will require the POD Revision to be approved by MEMR by the end of 2022.</p> <p>In support of future Mako gas sales, Conrad has executed HOAs with two potential Singapore gas buyers and is currently negotiating GSAs with these potential buyers which are expected to be finalised prior to FID.</p> <p>In addition to the funds raised from the Offer, Conrad will require further funding in the future to meet its share of estimated capital expenditure costs and ongoing operating costs to develop the Mako Gas Field as well as costs associated with its other assets. Such funding may potentially be sourced through project financing, through the raising of capital from the issuance of further equity securities or potentially through divestment of assets, including a portion of Conrad's Participating Interest in Duyung. For further information on Conrad's revenue and costs, refer to Section 4.</p>																																		

1. Investment Overview Cont.

Topic	Summary
What are Conrad's investment highlights?	<p data-bbox="387 465 1018 492">Portfolio of assets focused on offshore Asian gas</p> <ul data-bbox="387 504 1394 678" style="list-style-type: none"> • The Mako Gas Field is currently the largest undeveloped and fully appraised gas field in the West Natuna Basin, Indonesia. • Close to 413 billion cubic feet (full-field, gross) discovered recoverable gas in Duyung. • Exploration and appraisal potential in Conrad's other assets within proven petroleum regions, containing a number of Leads and a drill ready prospect. <p data-bbox="387 705 582 732">Mako Gas Field</p> <ul data-bbox="387 743 1394 981" style="list-style-type: none"> • Mako adjoins major gas export infrastructure with currently only ~60% (and steadily declining) utilisation rate. • Relatively simple, low-cost development (shallow water, shallow depth, high deliverability reservoir, high quality gas) with a post-tax NPV10: US\$442 million net attributable to Conrad (refer to the Competent Person's Report for Duyung). • Conrad holds and operates a 76.5% Participating Interest in Duyung, which covers the Mako Gas Field. <p data-bbox="387 1008 1082 1034">Upside from existing OM PSC and potential new PSCs</p> <ul data-bbox="387 1046 1394 1272" style="list-style-type: none"> • Offshore Mangkalihat PSC (OM)⁸ lies in North Kalimantan and contains numerous Leads and a drill ready Prospect. • Conrad has conducted joint studies over working areas in Aceh under Joint Study Areas (JSAs) and has the right to match in any bidding process⁹. The tender process is currently ongoing and Conrad has submitted their bids for the two working areas on 5 September 2022. PSCs for these Aceh JSAs would be under the Cost Recovery Scheme, the proposed fiscal terms for which are summarised in Section 2.5. <p data-bbox="387 1299 778 1326">Positive market fundamentals</p> <ul data-bbox="387 1337 1394 1570" style="list-style-type: none"> • Indonesia is the third largest producer of both oil and natural gas in Asia and its production of both oil and natural gas has not been able to keep up with growing domestic demand. • Indonesia is the 4th most populous country in the world and 10th largest economy in terms of purchasing power parity.¹⁰ • Singapore is a key near-term target market with strong and reliable gas price dynamics.

8. OM has been granted an extension of time by MEMR for Conrad to complete its existing exploration commitments under the PSC (refer to Section 2.5(b)(iv)).

9. The occurrence, process and timing of such tender is at the discretion of MEMR. The risks in relation to this process is discussed further in Section 5.2(g).

10. The World Bank, The World Bank in Indonesia – Overview <<https://www.worldbank.org/en/country/indonesia/overview#1>>.

Topic	Summary
<p>What are Conrad's investment highlights? continued</p>	<p>Near-term goals</p> <ul style="list-style-type: none"> • 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, including: <ul style="list-style-type: none"> – obtaining the approval of a revised plan of development (POD Revision) for Mako from MEMR by the end of 2022; – the commencement of the Front End Engineering and Design (FEED) for the Mako Gas Field; – finalisation, and approval by all parties, of gas sales agreements (GSAs) for future gas produced from the Mako Gas Field; and – Participate in the current bid round that includes the two Aceh JSAs. <p>Experienced Board and Executive Leadership Team</p> <ul style="list-style-type: none"> • Board and Executive Leadership Team have a proven track record of value creation and deep industry experience with large oil companies, mid-cap exploration and production companies and the upstream investment community. • The members of the Board and the Executive Leadership Team have experience with successfully bringing exploration and development projects into production. <p>Please refer to Section 2 for further information.</p>
<p>What is Conrad's growth strategy?</p>	<p>Conrad's core business is discovering and developing hydrocarbon resources to supply reliable, lower emissions energy to advance the cleaner energy transition (for example from coal and diesel to natural gas) in Indonesia and adjacent Southeast Asian markets.</p> <p>Conrad's current strategic focus is on natural gas assets in shallow waters located offshore Indonesia with opportunities for low-cost development and near-term production. Through additional capital investment and financing, Conrad strives to mature, develop and maximise economic recovery from these opportunities.</p> <p>Conrad holds, and aims to grow, a balanced portfolio of assets in Indonesia and across the Southeast Asian region. Conrad aims to develop the Mako Gas Field and seek further opportunities for low-risk gas exploration and appraisal and/or identification of large-scale opportunities.</p> <p>For further information, refer to Section 2.6.</p>

1. Investment Overview Cont.

1.3 Key Financial Information

Topic	Summary																								
What is Conrad's historical financial performance?	<p>A condensed version of Conrad's Historical consolidated Statements of Profit or Loss and Other Comprehensive Income Statement is set out below. It is intended as a summary only and should be read in conjunction with the more detailed discussion of the Financial Information set out in Section 4, including the assumptions and management discussion, as well as the key risks set out in Section 5.</p> <p>Statutory Historical consolidated Statements of Profit or Loss and Other Comprehensive Income</p> <table border="1"> <thead> <tr> <th>US\$</th> <th>FY19</th> <th>FY20</th> <th>FY21</th> </tr> </thead> <tbody> <tr> <td>Revenue</td> <td>496,069</td> <td>202,318</td> <td>189,488</td> </tr> <tr> <td>Cost of services provided</td> <td>(1,645,808)</td> <td>(1,412,815)</td> <td>(912,665)</td> </tr> <tr> <td>Gross loss</td> <td>(1,149,739)</td> <td>(1,210,497)</td> <td>(723,177)</td> </tr> <tr> <td>Loss after income tax</td> <td>(1,279,572)</td> <td>(7,802,937)</td> <td>(11,240,038)</td> </tr> <tr> <td>Total Comprehensive Loss for the Year</td> <td>(1,279,572)</td> <td>7,802,937</td> <td>(11,240,038)</td> </tr> </tbody> </table> <p>The figures in the table above have been subject to rounding adjustments and may not sum.</p> <p>For further information, refer to Section 4.3.1.</p>	US\$	FY19	FY20	FY21	Revenue	496,069	202,318	189,488	Cost of services provided	(1,645,808)	(1,412,815)	(912,665)	Gross loss	(1,149,739)	(1,210,497)	(723,177)	Loss after income tax	(1,279,572)	(7,802,937)	(11,240,038)	Total Comprehensive Loss for the Year	(1,279,572)	7,802,937	(11,240,038)
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Topic	Summary																																																																																												
What is Conrad's financial position before and after the Offer?	<p>The table below sets out the summarised statutory Historical Consolidated Statement of Financial Position and the Pro Forma Consolidated Statement of Financial Position for Conrad as at 31 December 2021. Please refer to section 4.3.4 for a reconciliation between the statutory and pro forma financial position.</p> <table border="1"> <thead> <tr> <th></th> <th style="text-align: right;">Audited 31 December 2021 (US\$)</th> <th style="text-align: right;">Unaudited Pro forma Before accepting Over- subscriptions (US\$)</th> <th style="text-align: right;">Unaudited Pro forma After accepting over- subscriptions (US\$)</th> </tr> </thead> <tbody> <tr> <td>Cash and cash equivalents</td> <td style="text-align: right;">1,442,336</td> <td style="text-align: right;">27,865,596</td> <td style="text-align: right;">34,758,796</td> </tr> <tr> <td>Trade and other receivables</td> <td style="text-align: right;">59,764</td> <td style="text-align: right;">59,764</td> <td style="text-align: right;">59,764</td> </tr> <tr> <td>Prepayments and deposits</td> <td style="text-align: right;">62,035</td> <td style="text-align: right;">62,035</td> <td style="text-align: right;">62,035</td> </tr> <tr> <td>Investment 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What will Conrad's capital structure be on Completion?	<p>On Completion, Conrad will have 159,398,988 CDIs on issue comprised of the following:</p> <table border="1"> <thead> <tr> <th rowspan="2"></th> <th colspan="2" style="text-align: center;">Before accepting oversubscriptions (A\$45 million)</th> <th colspan="2" style="text-align: center;">Assuming all oversubscriptions are accepted (A\$55 million)</th> </tr> <tr> <th style="text-align: center;">Number of CDIs on Completion</th> <th style="text-align: center;">% of CDIs held on Completion</th> <th style="text-align: center;">Number of CDIs on Completion</th> <th style="text-align: center;">% of CDIs held on Completion</th> </tr> </thead> <tbody> <tr> <td>Shareholders</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Existing Shareholders</td> <td style="text-align: right;">128,577,071</td> <td style="text-align: right;">80.7%</td> <td style="text-align: right;">128,577,071</td> <td style="text-align: right;">77.3%</td> </tr> <tr> <td>IPO investors</td> <td style="text-align: right;">30,821,917</td> <td style="text-align: right;">19.3%</td> <td style="text-align: right;">37,671,232</td> <td style="text-align: right;">22.7%</td> </tr> <tr> <td>Total</td> <td style="text-align: right;">159,398,988</td> <td style="text-align: right;">100.0%</td> <td style="text-align: right;">166,248,303</td> <td style="text-align: right;">100.0%</td> </tr> </tbody> </table>		Before accepting oversubscriptions (A\$45 million)		Assuming all oversubscriptions are accepted (A\$55 million)		Number of CDIs on Completion	% of CDIs held on Completion	Number of CDIs on Completion	% of CDIs held on Completion	Shareholders					Existing Shareholders	128,577,071	80.7%	128,577,071	77.3%	IPO investors	30,821,917	19.3%	37,671,232	22.7%	Total	159,398,988	100.0%	166,248,303	100.0%																																																															
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1. Investment Overview Cont.

Topic	Summary
What is the Company's dividend policy?	<p>Payment of dividends by the Company is at the discretion of the Directors and the Directors do not provide any assurance of the future amount of dividends. The Company does not currently generate revenue. Accordingly, no dividends are expected to be paid in the foreseeable future following the Company's listing on ASX.</p> <p>In determining whether to declare future dividends, the Directors will consider the general business environment, the operating results and the financial condition of the Company, future funding requirements, capital management initiatives, taxation considerations, any contractual, legal or regulatory restrictions on the payment of dividends by the Company and any other factors the Directors may consider relevant.</p> <p>For further information, refer to Section 4.5.</p>

1.4 Key Risks

Oil and gas exploration and production are high risk enterprises and only occasionally provide high rewards. Potential investors should consider an investment in Conrad as highly speculative. There are a number of risks associated with an investment in Conrad that may affect its financial performance, financial position, growth prospects and Share (and CDI) price. The following table is a summary of the specific risks that Conrad is exposed to. Further details about these and other general risks associated with an investment in Conrad are set out in Section 5.

Topic	Summary
Changes to Indonesian Laws and Regulations	<p>The Company is subject to various national and local laws and regulations, in particular Indonesian laws. Non-compliance with Indonesian laws can lead to regulatory or legal actions and can impact the status and terms of any of the Company's PSCs, the Company's role as the operator of a PSC or the granting of governmental regulatory approvals. Changes in government policy, the relevant upstream oil and gas regulator, the fiscal regime, taxation laws and regulation, regulatory regime or the legislative framework of Indonesia, including any changes to the Oil and Gas Law, as well as regulatory regimes which may seek to impose a cost on carbon (whether through a carbon tax, carbon trading scheme or otherwise) could impact the Company's business, operating and financial performance, profitability, prospects and asset valuations. The effects of any such changes or actions may result in, amongst other things, delays, the inability of the Company to execute certain activities, increased costs, increased taxes (direct and indirect), reduced revenues or reduced profitability.</p> <p>These uncertainties may impact the timeframes, terms and processes of any future approvals required by the Company and may have an adverse impact on the Company's business, strategy, operating and financial performance, profitability, prospects and asset valuations.</p> <p>Please refer to Section 5.1(a) for more information.</p>

Topic	Summary
<p>Joint Venture Risk</p>	<p>The management and development of Duyung is governed by a joint operating agreement (JOA) which serves to govern decision-making and allocate and share the risks and associated costs of exploration, development and production activities among the holders of Participating Interests (JOA Partners) in Duyung. However, failure to agree or align with JOA Partners on key activities could have a material effect on the Company's business. In respect of Duyung, the approval of any development plan for the Mako Gas Field requires the affirmative vote of two (2) or more unrelated JOA Partners holding collectively at least 75% of the Participating Interests (which, given Conrad's 76.5% Participating Interest, means Conrad and any other JOA Partner). The JOA Partners will require appropriate project financing or adequate levels of capital to provide ongoing funding to meet POD obligations and for the development of the Mako Gas Field to production.</p> <p>There is a risk that JOA Partners may not approve the FID for the Mako Gas Field or fail to secure financing or capital to support the development of the project. This could have a material adverse impact on the ability and the timing of the Company to develop the Mako Gas Field and meet POD obligations.</p> <p>There is also a risk that JOA Partners may fail to meet their commitments to share costs and liabilities, act negligently or fraudulently or fail to maintain adequate licences and permits, which could result in increased costs for the Company and have an adverse impact on the joint venture's relationship with regulators and the Government of Indonesia and the ability of JOA Partners to meet their obligations under a PSC, POD or any future GSAs, potentially resulting in default or termination of the PSC or any future GSAs.</p> <p>These risks could have a materially adverse impact on the Company's business, financial performance, profitability, asset valuations, strategy and prospects and reputation.</p> <p>Please refer to Section 5.1(b) for more information.</p>
<p>Financing Risk</p>	<p>The Company's ability to develop the Mako Gas Field, to operate its business and effectively implement its business plans, including the exploration, appraisal and development of growth projects, will depend on its ability to raise additional capital, potentially through issuance of equity, project or other debt financing, or divestiture of assets.</p> <p>Obtaining sufficient financing for development will be a condition precedent to FID for the JOA Partners in Duyung. No assurance can be given that any such additional capital or funding will be made available to the Company or its JOA Partners or that, if available, it will be available on acceptable terms.</p> <p>A failure to obtain financing or availability of financing on acceptable terms would mean that the development of the Mako Gas Field would not be able to proceed and if insufficient funds are not available to satisfy the Company's short, medium or long-term capital requirements when required, this may have a materially adverse impact on the Company's ability to continue as a going concern, the Company's operational and financial performance, profitability, asset valuations, strategy and prospects.</p> <p>Please refer to Section 5.1(c) for more information.</p>

1. Investment Overview Cont.

Topic	Summary
Reliance on Third parties and Insurance Coverage	<p>The Company will need to obtain certain approvals, consents or agreements from third parties to conduct its activities and implement the POD Revision. This may include, without limitation, obtaining approval from MEMR of the POD Revision, agreement with the operator of WNTS for the use of the pipeline, and consents from third parties for the use of manifolds or other infrastructure for the transportation of gas produced from the Company's assets. There is a risk that the failure to obtain or delay in obtaining approval, consent or agreement from such third parties would adversely impact the Company's ability to execute its business strategy and perform its obligations.</p> <p>In addition to its JOA Partners, the Company also relies on other third parties (e.g. contractors and pipeline operators) to develop, operate and maintain its assets as well as meet its obligations under any PSC, GSA or POD. This includes obtaining third party services such as drilling, facility engineering, production operations and gas transportation. There is a risk that such third parties may fail to meet their contractual obligations, for example due to financial or operational difficulties. Further, should any agreements with third parties be terminated, it cannot be assured that a suitable replacement can be found within a reasonable time or on terms acceptable to the Company.</p> <p>Such risks with third parties could result in the Company failing to meet its obligations including under its PSCs and any future GSAs, such as exploration program obligations, incurring additional costs and result in disputes with third party service providers, which may have a materially adverse impact on the Company's business, operating and financial performance and prospects.</p> <p>Please refer to Section 5.1(d) for more information.</p>
Exploration Risk	<p>Oil and gas exploration is by its nature, speculative, and each Prospect and Lead carries a degree of risk associated with the successful discovery of moveable hydrocarbons in commercial quantities. The value of exploration and development assets can be affected by a number of different factors including, amongst other things, macro-economic and socio-political conditions, changes to reserves estimates, the composition of oil and gas reserves, unforeseen project difficulties and other operational issues. The Company's future production profitability and assets values are subject to both subsurface and commodity price uncertainties. There is no assurance that the Company's exploration assets will be commercially viable. Until the Company is able to realise value and revenues from its projects, it is likely to incur ongoing operating losses.</p> <p>The Company's assets are at various stages of maturity, and potential investors should be aware that upstream exploration and development are high-risk undertakings. There can be no assurance that exploration of the PSCs, or any other assets that may be acquired in the future, will result in the discovery of petroleum resources at all, or that can be commercialised in sufficient quantity.</p>

Topic	Summary
Exploration Risk continued	<p>The majority of the Company's assets cover working areas that are undeveloped and require significant capital to establish whether they can be matured and subsequently developed.</p> <p>The Company's exploration and appraisal activities are also dependent upon the grant and maintenance of appropriate approvals, licences, permits, resource consents, access arrangements and regulatory authorities (authorisations) which may not be granted or may be withdrawn or made subject to limitations and conditions. There are risks that such authorisations may not be granted or there may be delays in obtaining such authorisations and/or being subject to unforeseen terms or conditions which could have material and adverse impacts on the Company's business strategy, operating and financial performance, profitability, asset valuations and prospects.</p> <p>Please refer to Section 5.1(e) for more information.</p>
Expenditure Risk	<p>The exploration costs of the Company are based on certain assumptions, estimates and judgements including with respect to the method and timing of exploration and prevailing market conditions. By their nature, these estimates, assumptions and judgements are subject to significant uncertainties. There are risks that cost estimates and their underlying assumptions and judgements will materially increase which could have material and adverse impacts on the Company's business strategy, operating and financial performance, profitability, asset valuations and prospects.</p> <p>The Company's current and planned capital expenditures on projects may be subject to unexpected problems, costs and delays, and the economic results and the actual costs of these projects may differ significantly from the Company's current estimates.</p> <p>Please refer to Section 5.1(f) for more information.</p>
Resource Estimates	<p>Understanding of subsurface conditions is based on the interpretation of the best data available but due to the inherent uncertainty of such data and its interpretation, there is a risk that the Company may reach incorrect conclusions in respect of resource and reserve estimates.</p> <p>The Contingent and Prospective Resources set out in this Prospectus represent estimates only, and represent quantities estimated at a given point in time. Estimates which are valid at a certain point in time may alter significantly or become uncertain when new oil and gas reservoir and subsurface data becomes available through reservoir engineering or additional drilling. This Prospectus includes estimates of the Company's share of Contingent and Prospective Resources independently assessed by GaffneyCline.</p> <p>No assurance can be given that the resource estimates in this Prospectus will be recoverable or at the amounts or levels disclosed.</p> <p>Please refer to Section 5.1(g) for more information.</p>

1. Investment Overview Cont.

Topic	Summary
Procurement Risk	<p>The Company's ability to procure the required equipment, services and personnel may be impacted by the level of demand in the region and prevailing market conditions. In the working areas in which the Company operates, there is significant demand for drilling rigs, facility and other related equipment, services and personnel. There are risks that the Company may not be able to procure the required equipment, services and personnel on acceptable terms within required timeframes, which could have a material and adverse effect on the Company's ability to satisfy its exploration commitments under its PSCs, its obligations under its plans of development of its projects and its general operations.</p> <p>This may result in additional costs, penalties or the loss or variation of all or some of the Company's rights under its PSCs and may have a materially adverse impact on the Company's business strategy, financial and operating performance, profitability, asset valuations and prospects.</p> <p>Please refer to Section 5.1(h) for more information.</p>
Production Risk	<p>The Company's existing portfolio of assets are not in production. There is a risk that the Company's assets may not be developed into producing assets, or that they will not produce sufficient volumes and for a period required by any plan of development or GSA.</p> <p>This may adversely impact Company's ability to meet its obligations or commitments to supply gas under the terms of any plan of development or future GSAs.</p> <p>Please refer to Section 5.1(i) for more information.</p>
Operational, Environmental and Health & Safety Risks	<p>The Company's PSCs cover working areas in the offshore waters of Indonesia. Offshore gas exploration, appraisal and development activities are subject to various operational, financial, environmental and health and safety risks.</p> <p>The occurrence of an operational or health & safety or environmental risk event could also result in damage to, or destruction of, production facilities, environmental damage, increase operational costs and significantly disrupt the Company's operations, possibly restricting the Company's ability to advance its exploration programs, meet its exploration obligations, develop the Mako Gas Field pursuant to the estimated schedule or expand into other projects. The occurrence of any of these events may also have a materially adverse impact on Company's reputation and may affect Company's ability to continue its operations or to obtain further investment or financing.</p> <p>Please refer to Section 5.1(j) for more information.</p>

Topic	Summary
Revision of Duyung POD	<p>As noted in Section 2.5(a)(vi), the Company is currently working with SKK Migas on finalising the POD Revision for submission to MEMR to reflect increased resource estimates and production rates (which have been independently assessed by GaffneyCline) and that the previously envisaged processing facility and transport route will no longer be available as noted in Section 2.5. There is a risk that the POD Revision may not be approved by MEMR. There is also a risk that the POD Revision is not approved by MEMR on the terms requested by the Company in its POD Revision application, as summarised in Section 2.5(a)(vi), including the inclusion by SKK Migas of additional obligations and timeframes that may be less advantageous for the Company.</p> <p>Further, as noted in Section 2.5(a)(vi), the estimates of resource volumes, offtake rates and development scheme described in the Competent Person's Report for Duyung in Annexure D are linked to the proposed POD Revision, which remains subject to the approval of MEMR. Such estimates assume that the POD Revision will be approved by MEMR by the end of 2022. If MEMR does not approve the POD Revision by the end of 2022, then this may have a materially adverse impact on the Company's proposed development plan, business strategy, expected valuation, and future financial performance.</p> <p>Based on the Oil and Gas Law and GR 35/2004, the initial POD must be progressed no later than five years after the POD is approved by MEMR (i.e., in 2024), otherwise the Duyung PSC will automatically terminate, and the contractors shall relinquish the related working area.</p> <p>Please refer to Section 5.2(a) for further information.</p>
Other risks	<p>There are a number of other risks that may impact an investment in Conrad, set out in Section 5 and summarised below:</p> <ul style="list-style-type: none"> • Gas Transportation Risk (refer to Section 5.1(k)); • Reliance on Key Personal (refer to Section 5.10); • Limited Operational History and Failure to Execute Growth Strategies (refer to Section 5.1(m)); • Risks from Competition (refer to Section 5.1(n)); • Fluctuation in the Price of Oil and Gas (refer to Section 5.1(o)); • Macroeconomic Conditions and Cyclical Nature of the Resource Sector (refer to Section 5.1(p)); • Impairment Risk (refer to Section 5.1(q)); • Currency and Foreign Exchange Risk (refer to Section 5.1(r)); • Exchange Control Risk (refer to Section 5.1(s)); • Indonesian Sovereign Credit Rating (refer to Section 5.1(t)); • Climate Change (refer to Section 5.1(u)); • Risk of Litigation, Claims and Disputes (refer to Section 5.1(v)); • Sovereign Immunity (refer to Section 5.1(w)); • Regulatory Approvals (refer to Section 5.1(x)); • Abandonment and Site Restoration (ASR) Obligations (refer to Section 5.1(y)); • Increased Regulation May Increase Regulatory Compliance Costs (refer to Section 5.1(z));

1. Investment Overview Cont.

Topic	Summary
Other risks continued	<ul style="list-style-type: none"> • Political and Social Instability and Terrorism (refer to Section 5.1(aa)); • Earthquakes & Natural Disasters (refer to Section 5.1(bb)); • Industrial Relations (refer to Section 5.1(cc)); • The Company is a Singapore incorporated company and it may be difficult to enforce a judgment of Australian courts for civil liabilities under Australia law against the Company, the Company's directors and officers in Singapore (refer to Section 5.1(dd)); • The Company is Subject to the Laws of Singapore, which Differ in Certain Material Respects from the Laws of Australia (refer to Section 5.1(ee)); • Conrad is subject to the Singapore Takeover Code, which requires a person acquiring 30% or more of its voting shares to conduct a takeover offer for all of its voting shares. This could have the effect of discouraging, delaying or preventing a merger or acquisition and limit the market price of Conrad's CDIs (refer to Section 5.1(ff)); • Singapore Taxes may Differ from the Tax Laws of Other Jurisdictions (refer to Section 5.1(gg)); • Performance under the POD Revision (refer to Section 5.2(b)); • Encroachment into Other Licenced Working Areas (refer to Section 5.2(c)); • Obligation to offer 10% Participating Interest to Regional Government Owned Enterprise (refer to Section 5.2(d)); • Meeting the Local Content Variable Component in Duyung (refer to Section 5.2(e)); • Expiry and Extension of Exploration Period for OM (refer to Section 5.2(f)); • Converting Aceh JSAs into PSCs (refer to Section 5.2(g)); <p>In addition, Section 5.3 outlines some general investment risks. Investors should review all these risks carefully before making an investment decision.</p>

1.5 Directors and Leadership Team

Topic	Summary
Who are the Directors of Conrad?	<p>The Directors of Conrad are:</p> <ul style="list-style-type: none"> (a) Peter Botten (Non-Executive Chairman); (b) Miltos Xynogalas (Managing Director); (c) David Johnson (Executive Director); (d) Paul Bernard (Non-Executive Director); (e) Jeremy Brest (Non-Executive Director); and (f) Mario Traviati (Non-Executive Director). <p>For further information, refer to Section 6.</p>

Topic	Summary																																										
Who is the Executive Leadership Team of Conrad?	<p>The Executive Leadership Team includes:</p> <ul style="list-style-type: none"> (a) Miltos Xynogalas (Managing Director and Chief Executive Officer); (b) David Johnson (Chief Operating Officer); (c) Jusuf H. Rachmantio (General Manager Jakarta Office); (d) Patricia Lee (Head of Finance); (e) Egbert Siagian (Support Services/Legal Manager); (f) Brad Kirk (Project Advisor); (g) Steve Hall (Drilling Advisor); and (h) Tony Taylor (Commercial Manager). <p>For further information, refer to Section 6.2.</p>																																										
Who are the substantial shareholders?	<p>Substantial shareholders will hold approximately 43% of Shares on Completion. The table below sets out the interests of substantial shareholders at the Prospectus Date and on Completion. For further information, refer to Section 8.3.</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Shareholder</th> <th style="text-align: right;">Number of Shares held at Prospectus Date¹</th> <th style="text-align: right;">% of Shares held at Prospectus Date¹</th> <th style="text-align: right;">Number of Shares held on Completion</th> <th style="text-align: right;">% of Shares held on Completion</th> <th style="text-align: right;">Assuming all Over-Subscriptions are accepted</th> </tr> </thead> <tbody> <tr> <td>Inspired International Limited</td> <td style="text-align: right;">18,125,656</td> <td style="text-align: right;">14.1%</td> <td style="text-align: right;">18,125,656</td> <td style="text-align: right;">11.4%</td> <td style="text-align: right;">10.9%</td> </tr> <tr> <td>Miltos Xynogalas</td> <td style="text-align: right;">15,322,288</td> <td style="text-align: right;">11.9%</td> <td style="text-align: right;">15,322,288</td> <td style="text-align: right;">9.6%</td> <td style="text-align: right;">9.2%</td> </tr> <tr> <td>Transworld Oil Inc.</td> <td style="text-align: right;">14,400,000</td> <td style="text-align: right;">11.2%</td> <td style="text-align: right;">14,400,000</td> <td style="text-align: right;">9.0%</td> <td style="text-align: right;">8.7%</td> </tr> <tr> <td>Mario Traviati</td> <td style="text-align: right;">11,587,007</td> <td style="text-align: right;">9.0%</td> <td style="text-align: right;">11,587,007</td> <td style="text-align: right;">7.3%</td> <td style="text-align: right;">7.0%</td> </tr> <tr> <td>HCM I Conrad Petro Limited</td> <td style="text-align: right;">9,200,000</td> <td style="text-align: right;">7.2%</td> <td style="text-align: right;">9,200,000</td> <td style="text-align: right;">5.8%</td> <td style="text-align: right;">5.5%</td> </tr> <tr> <td>Total</td> <td style="text-align: right;">68,634,951</td> <td style="text-align: right;">53.4%</td> <td style="text-align: right;">68,634,951</td> <td style="text-align: right;">43.1%</td> <td style="text-align: right;">41.3%</td> </tr> </tbody> </table> <p>Note:</p> <p>1. Including the conversion of 6,153,863 SAFEs into Shares.</p>	Shareholder	Number of Shares held at Prospectus Date ¹	% of Shares held at Prospectus Date ¹	Number of Shares held on Completion	% of Shares held on Completion	Assuming all Over-Subscriptions are accepted	Inspired International Limited	18,125,656	14.1%	18,125,656	11.4%	10.9%	Miltos Xynogalas	15,322,288	11.9%	15,322,288	9.6%	9.2%	Transworld Oil Inc.	14,400,000	11.2%	14,400,000	9.0%	8.7%	Mario Traviati	11,587,007	9.0%	11,587,007	7.3%	7.0%	HCM I Conrad Petro Limited	9,200,000	7.2%	9,200,000	5.8%	5.5%	Total	68,634,951	53.4%	68,634,951	43.1%	41.3%
Shareholder	Number of Shares held at Prospectus Date ¹	% of Shares held at Prospectus Date ¹	Number of Shares held on Completion	% of Shares held on Completion	Assuming all Over-Subscriptions are accepted																																						
Inspired International Limited	18,125,656	14.1%	18,125,656	11.4%	10.9%																																						
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Mario Traviati	11,587,007	9.0%	11,587,007	7.3%	7.0%																																						
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Total	68,634,951	53.4%	68,634,951	43.1%	41.3%																																						

1. Investment Overview Cont.

Topic

Summary

What interests do the Directors have in the securities of Conrad?

The table below summarises the Directors' interests in Shares (including CDIs) as at the Prospectus Date and on Completion:

Director	Number of Shares held at Prospectus Date ¹	% of Shares held at Prospectus Date ¹	Number of Shares held on Completion	Before accepting	Assuming
				subscriptions	all Over-subscriptions are accepted
				% of Shares held on Completion	% of Shares held on Completion
Miltos Xynogalas	15,322,288	11.9%	15,322,288	9.6%	9.2%
Mario Traviati	11,587,007	9.0%	11,587,007	7.3%	7.0%
Paul Bernard	4,400,624	3.4%	4,400,624	2.8%	2.6%
Jeremy Brest	4,277,813	3.3%	4,277,813	2.7%	2.6%
David Johnson	1,081,840	0.8%	1,081,840	0.7%	0.7%
Peter Botten	443,077	0.3%	443,077	0.3%	0.3%
Total	37,112,649	28.9%	37,112,649	23.3%	22.3%

Note:

1. Including the conversion of 6,153,863 SAFEs into Shares.

The following table sets out the number of Warrants and Options held by each Director of the Company as at Completion:

Director	Number of Loan Warrants	Number of Options	Number of SAFE Warrants
Mario Traviati	769,008	320,000	63,876
Paul Bernard	643,448	320,000	–
Jeremy Brest	595,552	320,000	102,371
Miltos Xynogalas	135,384	400,000	–
David Johnson	–	400,000	–
Peter Botten	–	–	221,539
Total	2,143,392	1,760,000	387,786

The following table sets out the number of Share Rights held by each Director of the Company as at Completion:

Director	Number of Share Rights	%
Paul Bernard	663,848	17.3%
Jeremy Brest	663,848	17.3%
David Johnson	560,000	14.6%
Peter Botten	480,000	12.5%
Mario Traviati	476,920	12.4%
Miltos Xynogalas	160,000	4.2%
Total	3,004,616	78.2%

For further information, refer to Section 6.

Topic	Summary
What significant benefits and interests are payable to Directors and other persons connected with Conrad or the Offer?	<p>Directors are entitled to apply for CDIs under the Offer.</p> <p>Non-Executive Directors are entitled to fees as disclosed in Section 6.5.</p> <p>Miltos Xynogalas has entered into an executive employment agreement with the Company and a company related to David Johnson has entered into a personal services agreement with the Company to act as Executive Director and Chief Operating Officer. Details of remuneration and specific terms are described in Section 6.5.</p> <p>Advisors and other service providers are entitled to fees for services and have other interests as disclosed in Section 6.17. For further information, refer to Section 6.</p>
Will any shares be subject to restrictions on disposal following Completion?	<p>Yes. Subject to certain customary exceptions referred to in 6.18, the CDIs referred to below will be subject to mandatory escrow arrangements imposed by ASX and voluntary escrow arrangements on Completion.</p>

1.6 Proposed Use of Funds and Terms and Conditions of the Offer

Topic	Summary
What is the Offer?	<p>The Offer comprises the issue of 30,821,917 CDIs by Conrad at an issue price of A\$1.46 to raise approximately A\$45 million (with the ability to accept oversubscriptions to raise up to A\$55 million (in aggregate)).</p> <p>For further information, refer to Section 7.</p>
What is the structure of the Offer?	<p>The Offer comprises:</p> <ul style="list-style-type: none"> (a) the Institutional Offer; (b) the Broker Offer; (c) the Priority Offer; and (d) the Public Offer. <p>For further information, refer to Section 7.</p>
Who is the issuer of this Prospectus?	<p>Conrad Asia Energy Ltd. ARBN 656 246 678.</p>

1. Investment Overview Cont.

Topic	Summary																																																							
What is the proposed use of the Offer proceeds?	<p>The proceeds of the Offer will be applied as follows:</p> <table border="1"> <thead> <tr> <th rowspan="2">Uses</th> <th colspan="3">Before accepting Oversubscriptions (A\$45 million)</th> <th colspan="3">Assuming all Oversubscriptions are accepted (A\$55 million)</th> </tr> <tr> <th>US\$m</th> <th>A\$m¹</th> <th>%</th> <th>US\$m</th> <th>A\$m¹</th> <th>%</th> </tr> </thead> <tbody> <tr> <td>Mako FEED and long lead items (including subsea wellheads and related equipment and structural steel)</td> <td>17.4</td> <td>24.0</td> <td>53%</td> <td>21.0</td> <td>28.9</td> <td>53%</td> </tr> <tr> <td>Funds for growth and the evaluation of new assets and associated costs</td> <td>3.1</td> <td>4.3</td> <td>10%</td> <td>6.1</td> <td>8.4</td> <td>15%</td> </tr> <tr> <td>General and administration costs</td> <td>3.7</td> <td>5.1</td> <td>11%</td> <td>3.7</td> <td>5.1</td> <td>9%</td> </tr> <tr> <td>Repayment of borrowings under shareholder loan</td> <td>5.5</td> <td>7.6</td> <td>17%</td> <td>5.5</td> <td>7.6</td> <td>14%</td> </tr> <tr> <td>Payment of transaction costs associated with the Offer</td> <td>2.9</td> <td>4.0</td> <td>9%</td> <td>3.6</td> <td>5.0</td> <td>9%</td> </tr> <tr> <td>Total</td> <td>32.6</td> <td>45.0</td> <td>100%</td> <td>39.9</td> <td>55.0</td> <td>100%</td> </tr> </tbody> </table> <p>Note:</p> <p>1. Australian dollar values in the above table are converted from US dollars at the exchange rate of 0.7256.</p> <p>The above table is a statement of Conrad's current intentions as at the Prospectus Date. Investors should note that the allocation of funds set out in the above table may change depending on a number of factors, including the outcome of operational and development activities, regulatory developments, and market and general economic conditions. Conrad reserves its right to alter the way the funds are applied. In addition, as the Prospectus Offer will be in Australian dollars and the expenditure will be in US dollars, the actual amount of the proceeds used for each of the items above will depend on the A\$:US\$ exchange rate at the time the funds are converted to US dollars. Debt repayment represents the repayment of current Shareholder Loans of US\$5.5 million.</p> <p>The Board believes that funds raised from the Offer will provide the Company with sufficient working capital to achieve its stated objectives as detailed in this Prospectus. For further information, refer to Section 7.</p>	Uses	Before accepting Oversubscriptions (A\$45 million)			Assuming all Oversubscriptions are accepted (A\$55 million)			US\$m	A\$m ¹	%	US\$m	A\$m ¹	%	Mako FEED and long lead items (including subsea wellheads and related equipment and structural steel)	17.4	24.0	53%	21.0	28.9	53%	Funds for growth and the evaluation of new assets and associated costs	3.1	4.3	10%	6.1	8.4	15%	General and administration costs	3.7	5.1	11%	3.7	5.1	9%	Repayment of borrowings under shareholder loan	5.5	7.6	17%	5.5	7.6	14%	Payment of transaction costs associated with the Offer	2.9	4.0	9%	3.6	5.0	9%	Total	32.6	45.0	100%	39.9	55.0	100%
Uses	Before accepting Oversubscriptions (A\$45 million)			Assuming all Oversubscriptions are accepted (A\$55 million)																																																				
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Payment of transaction costs associated with the Offer	2.9	4.0	9%	3.6	5.0	9%																																																		
Total	32.6	45.0	100%	39.9	55.0	100%																																																		
What is the Offer Price?	<p>The price payable under the Offer is A\$1.46 per CDI.</p> <p>For further information, refer to Section 7.</p>																																																							
Who are the Joint Lead Managers on the Offer?	<p>The Joint Lead Managers are Canaccord Genuity and Bell Potter.</p>																																																							

Topic	Summary
Will the CDIs be quoted on the ASX?	<p>Conrad will apply to the ASX for admission to the Official List and quotation of CDIs on the ASX under the code CRD.</p> <p>Completion is conditional on the ASX approving its application. If approval is not given within three months after such application is made (or any longer period permitted by law), the Offer will be withdrawn and all application monies received will be refunded (without interest) as soon as practicable in accordance with the requirements of the Corporations Act.</p> <p>For further information, refer to Section 8.11.</p>
What is the allocation policy?	<p>Conrad and the Joint Lead Managers have absolute discretion regarding allocation of CDIs to applicants under the Offer and may reject an Application or allocate a lesser number of CDIs than applied for. Conrad and the Lead Managers also reserve the right to aggregate any Applications that they believe may be multiple Applications from the same person.</p> <p>For further information, refer to Section 7.</p>
Is there any brokerage, commission or Australian stamp duty payable by applicants?	<p>No brokerage, commission or Australian stamp duty is payable by applicants on acquisitions of CDIs under the Offer. For further information, refer to Section 7.2.</p> <p>However, the Company will pay to the Joint Lead Managers the following fees (see Section 8.7 for further information):</p> <ul style="list-style-type: none"> (a) a management fee of 1.50% of the total amount raised under the Offer; and (b) a selling fee of 3.50% of the total amount raised under the Offer.
What are the tax implications of investing in the CDIs?	<p>You may be subject to income tax or withholding tax on any future dividends paid and subject to tax on a future disposal of CDIs. Tax consequences of any investment in CDIs will depend upon your particular circumstances. Applicants should obtain their own tax advice prior to deciding whether to invest.</p> <p>For further general information in respect of Australian tax, refer to Section 8.19.</p>
When will I receive confirmation that my application has been successful?	<p>It is expected that initial holding statements and allotment confirmation advices will be sent on or about Friday, 21 October 2022.</p> <p>For further information, refer to Section 7.</p>
What is the minimum application size?	<p>The minimum application under the Broker Firm Offer and the Priority Offer is 2,000 CDIs (approximately \$2,920).</p> <p>For further information, refer to Section 7.</p>
How can I apply for CDIs?	<p>You may apply for CDIs by completing a valid Application Form (attached to or accompanying this Prospectus or available online via https://conradasia.com/).</p> <p>To the extent permitted by law, an Application under the Offer is irrevocable.</p> <p>For further information, refer to Section 7.</p>

1. Investment Overview Cont.

Topic	Summary
Can the Offer be withdrawn?	<p>Conrad reserves the right not to proceed with the Offer at any time before the issue of CDIs to successful applicants.</p> <p>If the Offer does not proceed, application monies will be refunded to applicants. No interest will be paid on any application monies refunded as a result of the withdrawal of the Offer.</p> <p>For further information, refer to Section 7.</p>
When can I sell my CDIs on the ASX?	<p>It is expected that the despatch of the holding statements or allotment confirmation advices will occur on or about Friday, 21 October 2022 and trading of the CDIs on will commence on or about Wednesday, 26 October 2022.</p> <p>It is the responsibility of each applicant to confirm their holding before trading in CDIs. Applicants who sell CDIs before they receive an initial holding statement or allotment confirmation advices do so at their own risk.</p> <p>For further information, refer to Section 7.</p>
Where can I find more information about this Prospectus of the Offer?	<p>Please call the please contact the Offer Information Line on 1300 737 760 (toll free from within Australia) or +61 2 9290 9600 (from outside of Australia) between 9am to 5pm AEST (Sydney, Australia), Business Days. Or via email at corporateactions@boardroomlimited.com.au. If you are unclear about any matter or are uncertain as to whether Conrad is a suitable investment for you, you should seek professional guidance from your solicitor, stockbroker, accountant or other independent and qualified professional adviser before deciding whether to invest.</p>



2. Company Overview

2. Company Overview

2.1 Who is Conrad?

Conrad is an energy company currently focused on the exploration, appraisal, and development of natural gas projects in the Offshore Waters of Indonesia. Currently, all of Conrad's assets are located in Indonesia.

The Company is incorporated in Singapore with its corporate headquarters in Singapore and its operational headquarters in Jakarta, Indonesia and has 36 employees as of the Prospectus Date. Conrad, via its wholly owned subsidiaries, holds interests in, and is the operator of its PSCs as follows:

- Duyung PSC (76.5% Participating Interest) (**Duyung**) – a gross split PSC; and
- Offshore Mangkalihahat PSC (100% Participating Interest) (**OM**) – a cost recovery PSC.

Please refer to Section 3.7(b) for a brief description of the two main types of PSCs in Indonesia, being cost recovery PSCs and gross split PSCs.

Conrad has discovered gas resources in the Mako Gas Field in Duyung. The field has been independently assessed to contain gross field 2C Contingent Resources of 413 Bcf, with 215 Bcf attributable to Conrad pursuant to its Participating Interest in Duyung. The Mako Gas Field has been assessed to contain gas comprising 98% methane with no traces of mercury, heavy metals or other contaminants and is located approximately 110 kilometres from the West Natuna Transportation System (**WNTS**), a gas pipeline that delivers natural gas from this area of Indonesia to Singapore.

Conrad's OM PSC is still in the exploration phase. Conrad intends to conduct further seismic and exploration activities in the working areas of OM, which contain prospective petroleum Prospects and Leads (see Section 2.5(b) for a summary of the OM PSC), and the possible eventual drilling of exploration wells. Conrad held the Offshore North X-Ray PSC (ONXR), a conventional cost recovery production sharing contract entered on 15 May 2013, and completed all work commitments and relinquishment obligations but did not make a commercial discovery. Conrad has started the process to relinquish all of the working area under ONXR back to the Government of Indonesia and SKK Migas and MEMR has acknowledged and approved the termination of the ONXR.

Conrad also has completed joint studies in two joint study areas (**JSAs**), covering a combined area of approximately 20,000 square kilometres, named Offshore Northwest Aceh and Offshore Southwest Aceh, in the offshore areas of Aceh Province in Indonesia (together the **Aceh JSAs**). Each JSA contains gas discoveries. The completion of joint studies in working areas under a JSA may result in MEMR tendering those working areas as PSCs for further exploration and development. The working areas covered by the Aceh JSAs have been tendered as cost recovery PSCs in the current 2022 licensing round over which Conrad has the right to match any bid by potential participants for those working areas. Conrad has prepared and has submitted bids before the closing date of 6th September 2022. Assuming that Conrad is the winning bidder, the two PSC contracts are expected to be signed by early December. Please refer to Section 3.7(c) for a brief description of a JSA.

Figure 2.1.1: Location Map of Conrad Held PSCs and JSAs

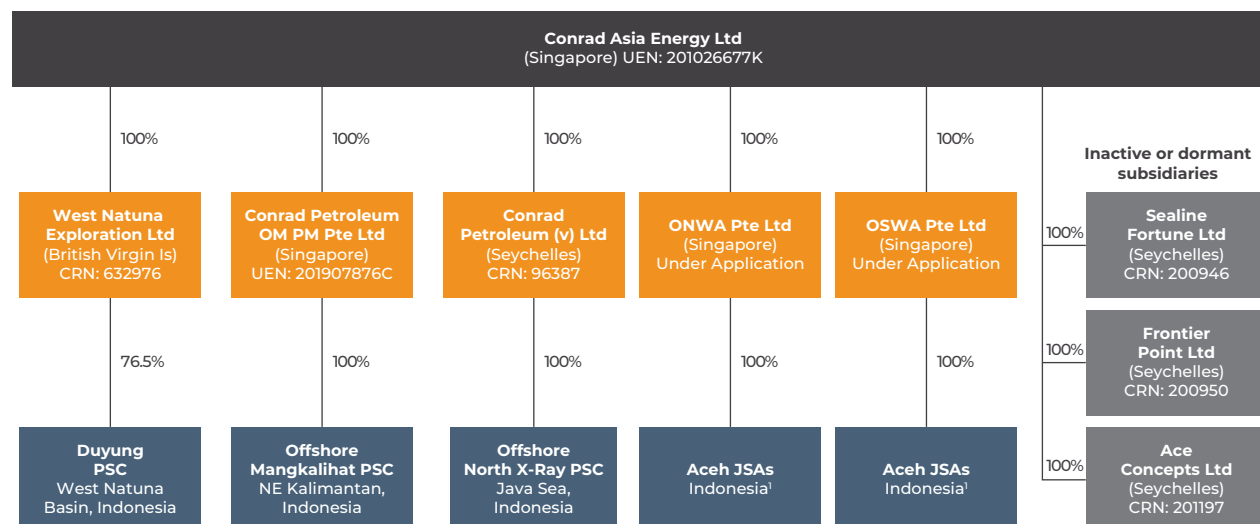


Map not to scale

2.2 Corporate Structure

Conrad is a company incorporated under the laws of Singapore, with operational headquarters in Jakarta, Indonesia. Conrad's corporate structure is shown below:

Figure 2.2.1: Conrad Corporate Structure



Note:

1. Aceh JSA to be gazetted during 2022. Conrad has matching rights in the licence bidding process.

2.3 Vision, Mission and Values

Conrad's focus is on identifying and acquiring undervalued, overlooked, and technically misunderstood natural gas assets in shallow waters in offshore Indonesia, and maturing such assets into gas producing assets through a combination of subsurface technical work, appraisal drilling and by adopting a low-cost approach to field development. Conrad's business is guided by the following vision, mission and values:

(a) Vision

To further the cleaner energy transition in Indonesia and adjacent Southeast Asian markets.

(b) Mission

To continue to grow as an independent gas development and production company in Southeast Asia through the supply of lower carbon intensity, affordable energy in the form of natural gas.

2. Company Overview Cont.

(c) Values

The Company's core values are: acting with honesty, integrity and in a manner that is consistent with the reasonable expectations of investors and the broader community. It includes being, and being seen to be, a 'good corporate citizen', treating people with fairness, respect and dignity, for example, by:

- complying with all applicable legal requirements;
- respecting the human rights of employees, suppliers and contractors and people in communities that may be affected by our activities;
- creating a safe and non-discriminatory workplace;
- dealing honestly and fairly with suppliers, contractors and customers;
- acting responsibly towards the environment; and
- only dealing with business partners who demonstrate similar ethical and responsible business practices.

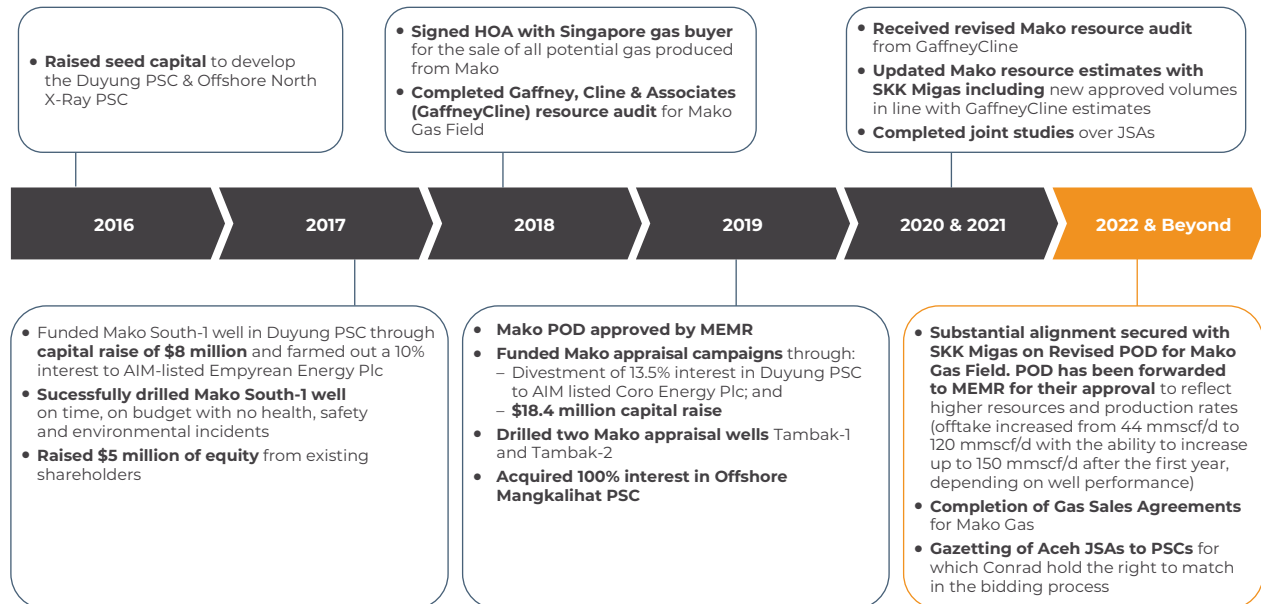
These values underpin Conrad's business and are central to its Code of Conduct.

2.4 History of Conrad

Conrad was incorporated as a Singapore company limited by shares in December 2010 for the purpose of exploring, appraising, and developing offshore energy projects in Indonesia. Conrad was awarded ONXR in May 2013 following the completion of a joint study. For the following three years, the Company focused solely on the exploration program of ONXR.

In early 2016, Conrad raised further capital and acquired a 100% interest in the Duyung PSC. Figure 2.4.1 below summarises the main milestones of Conrad since that time.

Figure 2.4.1: Key Milestones in Conrad's History



2.5 Overview of Conrad's Assets

Conrad's assets in Indonesia fall into two categories: production sharing contracts (**PSCs**) (Duyung and OM PSCs) and joint study areas (**JSAs**) (Aceh JSAs). The regulatory framework for Indonesian oil and gas assets can be found in Section 3.7, including a description of PSCs (Section 3.7(b)) and JSAs (Section 3.7(c)).

As noted above, Conrad, via its wholly-owned subsidiaries, operates and holds interests in two PSCs in Indonesia and has completed two joint studies under the Aceh JSAs. This section provides an overview of these assets.

(a) Duyung PSC

(i) Overview

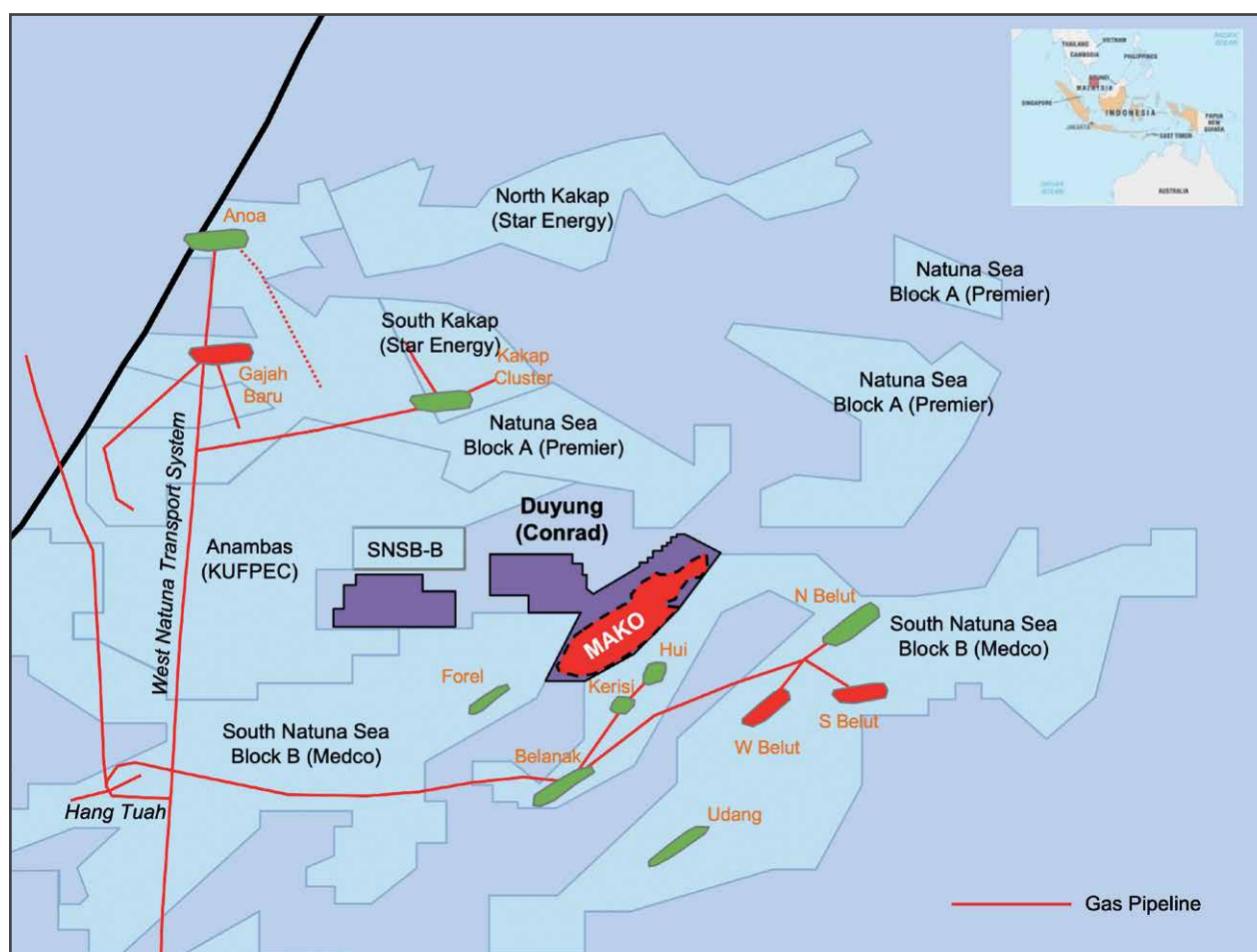
Conrad has a 76.5% Participating Interest in Duyung via its wholly owned subsidiary, West Natuna Exploration Limited (**WNEL**), an entity incorporated in the British Virgin Islands. The Participating Interests in Duyung are governed by a joint operating agreement (**JOA**). The JOA Partners are as follows as at the Prospectus Date:

Figure 2.5.1: Participating Interests of Duyung PSC

Holder of Participating Interest	Participating Interest
Conrad (through WNEL)	76.5%
Empyrean Energy Plc	8.5%
Coro Energy Plc	15.0%

Duyung covers a working area of approximately 927 square kilometres located in the Offshore Waters in the West Natuna area and is surrounded by adjacent producing oil and gas fields (see Figure 2.5.2).

Figure 2.5.2: Location Map of Duyung PSC



Duyung was awarded in 2007 and expires in January 2037. Duyung was initially awarded as a cost recovery PSC, covering an area of 4,641 square kilometres. After a series of mandatory relinquishments of parts of the working areas covered by the PSC, following the completion of exploration program commitments, Duyung now covers a final area of 927 square kilometres as at the Prospectus Date.

2. Company Overview Cont.

In early 2019, Conrad and its JOA Partners in Duyung and the Government of Indonesia amended and restated the PSC as a gross split PSC (refer to Section 3.7(b)(ii) for a description of a gross split PSC).

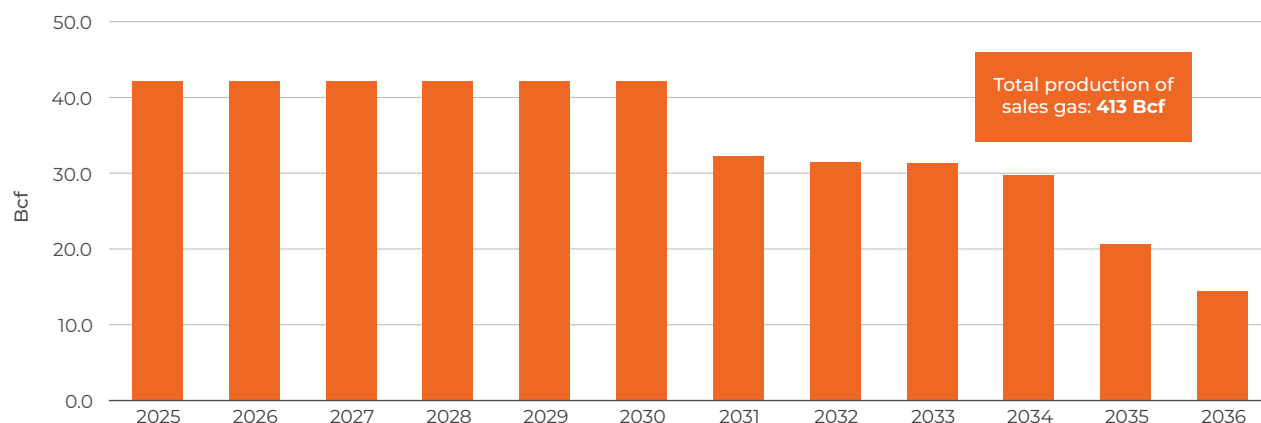
Duyung contains the Mako Gas Field, which was discovered by Conrad through the drilling of the Mako South-1 well in 2017. As outlined in Figure 2.4.1 in Section 2.4, Conrad is currently working with the Government of Indonesia on a revision of the current POD (the **POD Revision**) to incorporate resources discovered after the approval of the current POD, and related increased potential production rates, as well as changes to the proposed facilities used to process and deliver gas from the Mako Gas Field. Conrad has secured substantial alignment with SKK Migas regarding the revised POD, which also requires formal approval by the MEMR. GaffneyCline conducted a revised, independent assessment of the field and estimates that the Mako Gas Field contains gross, full field 2C Contingent Resources of 413 Bcf, with 215 Bcf of 2C Contingent Resources attributable to Conrad under its Participating Interest in Duyung, as noted in the Competent Person’s Report in Annexure D.

Conrad has entered into heads of agreement (**HOA**) to sell gas from the Mako Gas Field to two potential Singapore buyers, and is currently in the process of negotiating GSAs with those two parties.

The total capital expenditure to develop the Mako Gas Field into a producing asset is likely to be approximately US\$303 million for all the participants in Duyung, which will require Conrad and its JOA Partners to obtain further financing (outlined in further detail in Section 2.5(a)(ix) below).

As noted in the Competent Person’s Report for Duyung and under the terms of the POD Revision, Conrad is aiming to produce gas from the Mako Gas Field for delivery to potential buyers during early 2025. GaffneyCline estimates a targeted annual production of Sales Gas for their Best Case production model for Mako as illustrated below in Figure 2.5.3.

Figure 2.5.3: Estimated Best Case Gross Field Annual Sales Gas Production Profile (100% basis)



Note: Gas production estimates for Duyung are gross field estimates on a 100% basis (taken from Table 19 in the Competent Persons Report Annexure D) and do not represent Conrad’s Participating Interest in Duyung. 100% basis refers to the entire Participating Interest in Duyung, of which Conrad holds 76.5%.

(ii) Fiscal Terms

Duyung operates under a gross split PSC (see Section 3.7(b)). The Contractor's share of gas under the gross split regime is derived by beginning with a specified base production split and adjusting the base split pursuant to a number of potential Variable and Progressive components. Under the terms of the PSC, the Contractor's share of gross revenue under the PSC is subject to 25% income tax, and then subject to an additional 20% withholding tax applied on the amount after income tax, resulting in an effective aggregate tax rate of 40% over the term of the PSC. A summary of the key fiscal terms of the Duyung PSC is outlined in Figure 2.5.4 below.

Figure 2.5.4: Key fiscal terms of the Mako Gas Field (Duyung PSC)

Contractor Share of Production¹		Gas	Oil
Base Production Split²		48%	43%
Variable Component³	Field status ⁴	5%	5%
	Field location ⁵	12%	12%
	Local content ⁶	3%	3%
Progressive Component⁷			
Cumulative Production	0–30 MMBOE	10%	10%
	30–60 MMBOE	9%	9%
	60–90 MMBOE	8%	8%
	90–125 MMBOE	6%	6%
	125–145 MMBOE	4%	4%
	More than 145 MMBOE	0%	0%
Contractor Share of Production		68% (Base + total Variable) + Progressive (expected to average 9.5% over the life of Mako based on expected production volumes per year)	
Effective Tax Rate (Indonesia)		40%	
Domestic Market Obligation to Contractor⁸		25% to be sold to the Indonesian domestic market	

Notes:

1. The share of production is expressed on an annual basis and is a percentage of gross revenue from production.
2. Base Production Split is determined by the Government of Indonesia and outlined in the PSC.
3. Variable and Progressive Components are determined by reference to the terms of the PSC. Variable components of field status, field location and local content are determined and set in the POD for the Mako Gas Field. The Variable Component percentages for field status and field location do not change over the course of the POD, but the local content percentage is assessed periodically by SKK Migas. The thresholds determining the achievement of local content requirements are also determined under the POD.
4. Field status refers to whether there is an approved plan of development in respect of working areas covered under the PSC. Subsequent plans of development approved under the PSC may vary this variable component. The POD for the Mako Gas Field is the first POD in Duyung.
5. Field location refers to an assessment of water depths and proximity to infrastructure.
6. Local content refers to the percentage of equipment, materials and services sourced and manufactured in Indonesia. The calculation of the Contractor's Variable Component is set out in the POD Revision and shall be adjusted to the actual local content upon commencement oil and gas production.
7. Progressive Components include thresholds of cumulative production from all PODs under the Duyung PSC and may be determined and revised annually by SKK Migas. For example, where there are multiple working areas under a PSC with more than one POD, this will impact SKK Migas' determination of the progressive component.
8. PSCs may contain a Domestic Market Obligation on the Contractor. Section 2.5 contains further information in relation to the DMO in respect of Duyung. The Contractor has no obligation under the PSC to construct infrastructure (e.g. pipelines) to allow the delivery of any DMO.

2. Company Overview Cont.

(iii) Brief History of the Duyung Area

Exploration of areas in the West Natuna Basin first commenced in the 1968 when the original South Natuna Sea Block B PSC was awarded to Continental Oil Company (**Conoco**) of Indonesia, a subsidiary of Continental Oil Co (now ConocoPhillips).

Between 1968 and 2016, certain areas within the original South Natuna Sea Block B PSC were relinquished by Conoco and offered to new operators under different PSCs, including the area which is now covered by Duyung. In the 1990's, Lasmo plc (**Lasmo**) plc drilled the Cakalang-1 exploration well to test the deeper sediments of the Mako structure but failed to discover hydrocarbons. Subsequently in 1999, Lasmo discovered gas at the reservoir level in the Mako-1 exploration well but it was neither fully logged nor tested due to operational issues.

In 2007, Duyung was awarded to Transworld Exploration Ltd (**Transworld**) following a direct offer process and Transworld incorporated WNEL as a wholly-owned subsidiary to operate Duyung.

In 2016, Conrad acquired WNEL. During 2017, Conrad reprocessed 1,714 kilometres of the existing 2D seismic data to improve imaging over the Mako structure. Later during 2017, Conrad drilled the Mako South-1 well targeting Mako's Intra-Muda sands. The well encountered gas-bearing reservoir and flow tested gas to surface.

During 2018, Conrad prepared an initial POD for Mako, which was approved by SKK Migas in early 2019 (see Section 2.5(a)(vi) below for further details).

In 2019, Conrad drilled the Tambak-1 and Tambak-2 wells in the Mako Gas Field, to further delineate and define the field's resources and de-risk any development. The wells confirmed the presence of connected gas-charged sands over the Mako structure and demonstrated that the field was significantly larger than described in the approved POD. Tambak-2 also confirmed that gas could readily be flowed from the Mako reservoir.

In summary, a total of six wells have been drilled on or around the Mako Gas Field as summarised in Figure 2.5.5 below.

Figure 2.5.5: Wells Drilled within the Duyung PSC

Year	Well	Target Location	Comment
1975	Tengirri-1	Lower Gabus	Drilled by Continental Oil, target was deeper Lower Gabus Formation
1996	Cakalang-1	Lower Gabus	Drilled by Lasmo plc, main target was deeper Lower Gabus Formation
1999	Mako-1	Intra Muda Sands	Drilled by Lasmo plc, targeting Mako Channel, operational issues while drilling
2017	Mako South-1	Intra Muda Sands	Drilled by Conrad, discovery well
2019	Tambak-2	Intra Muda Sands	Drilled by Conrad, appraisal of Mako Gas Field
2019	Tambak-1	Intra Muda Sands	Drilled by Conrad, appraisal of Mako Gas Field

(iv) Background Geology/Field Characteristics

The Mako Gas Field comprises a north-east to south-west trending four-way dip closed anticline. The structure covers an area of approximately 340 square kilometres.

Late Miocene – early Pliocene Intra Muda Sands constitute the Mako reservoir. The sands were deposited in a marginal marine, delta plain setting. The sands are unconsolidated and can be characterised as having high porosity (storage capacity) and high permeability (flow capacity).

Produced samples from the Mako South-1 and Tambak-2 wells show that the gas from the Mako Gas Field is almost pure methane with low levels of inert gas and no mercury, heavy metals or other contaminants.

(v) Resources

The Mako Gas Field has been independently estimated by GaffneyCline to contain gross full field 2C Contingent Resources of 413 Bcf (100%), with approximately 215 Bcf of 2C Contingent Resources attributable to Conrad under its Participating Interest in Duyung. Gross full field refers to the estimated resources contained in the Mako Gas Field irrespective of the PSCs within which it is located. These resources place the Mako Gas Field as one of the largest gas discoveries and undeveloped gas resources in the West Natuna Sea. GaffneyCline's resource estimates are summarised in Figure 2.5.6 below.

Figure 2.5.6: GaffneyCline's Estimate of Gross Field Contingent Gas Resources for Mako Gas Field as at 26 August 2022

	Gross Field Resources (Bcf) ^{1,4}			Resources Attributable to Conrad (Bcf) ^{2,4}		
	1C	2C	3C	1C	2C	3C
Up to PSC expiry or economic limit test (ELT) ³ , whichever is the earlier	249	413	442	130	215	230
Beyond PSC expiry or ELT, whichever is the earlier	–	24	336	–	13	168
Total Resources⁵	249	437	779	130	227	398

Notes:

1. Gross field estimates of Contingent Resources are 100% of the volumes estimated to be recoverable from the Mako Gas Field in the event that it is developed according to POD Revision. The POD Revision remains subject to the approval of SKK Migas and is discussed in further detail in Section 2.5(a)(vi) below.
2. The estimate of Contingent Resources attributable to Conrad is determined by Conrad's Participating Interest in Duyung and assuming 88% of the gas initially in place for the Mako Gas Field is covered by the working areas in Duyung.
3. Duyung will expire on 16 January 2037. The economic limit test refers to the estimated final production year of each category of Contingent Resources. It is estimated that final economic production year prior to the expiry of Duyung for 1C, 2C and 3C Contingent Resources is 2032, 2036 and 2036, respectively. Notwithstanding the expiry of Duyung on 16 January 2037, it is estimated that 3C Contingent Resources could be produced commercially up to 2050.
4. The estimated Contingent Resources in this table are "unrisked" and has not been adjusted for any potential risk that the asset may not be developed, or may not be developed in accordance with the plan of development.
5. Totals may not exactly equal the sum of the individual items due to rounding.

(vi) Plan of Development (POD) for the Mako Gas Field

The initial POD for the Mako Gas Field was approved by MEMR and SKK Migas in February 2019. Subsequently, the following developments resulted in Conrad requesting a revision of the initial POD (POD Revision):

- Conrad drilled the Tambak-1 and Tambak-2 wells, to further delineate and define Mako's resource volumes and de-risk the field's development. The wells demonstrated that the Mako Gas Field contained additional gas resources that could be produced at a higher possible optimal targeted production rate than that envisaged in the initial POD; and
- The initial POD envisaged that gas produced from the Mako Gas Field would be evacuated to a platform located in an area covered by an adjacent contract operated by a third party for processing, compression and export into the WNTS. Conrad and SKK Migas were informed in February 2021 by that third party operator that their facilities would no longer be available to Conrad for gas produced from the Mako Gas Field. Conrad subsequently identified a number of alternative routes to transport gas produced from the Mako Gas Field to the WNTS.

2. Company Overview Cont.

As set out in the Competent Persons Report (Annexure D), Conrad is proposing to address the issues identified above in the following two phases of activity:

- **Phase 1:** involves the drilling of six development wells (one from a production platform and the other five as subsea wells) and the leasing of a mobile offshore production unit (**MOPU**) to be the production platform and topside processing facility. The MOPU will facilitate the production of gas to the WNTS via a 64 kilometre pipeline to be constructed and tie into a third party operated manifold (with any requisite consent obtained from the relevant third party) as part of the development obligations under the POD Revision.
- **Phase 2:** involves the drilling of two additional subsea wells tied into the gathering network approximately two years from first production.

The POD Revision remains subject to approval by MEMR and there may be further amendments to the POD Revision. Conrad has agreed with SKK Migas the terms of the POD Revision and Conrad expects MEMR to approve the POD Revision during Q4 2022. The estimates of resource volumes, offtake rates and development scheme described in the Competent Person's Report for Duyung in Annexure D are linked to the proposed POD Revision, which remains subject to the approval of MEMR. The implementation of the initial POD is required to be progressed no later than 5 years from the approval of the POD, otherwise Duyung will, absent the consent of MEMR or the award of the POD Revision, automatically terminate. Approval of the POD Revision by MEMR is expected to result in a new five-year timeline to completely implement the development plan. The resource and economic estimates in respect of Duyung in this Prospectus, and the assumptions on which they are based, assume that the POD Revision will be approved by MEMR by the end of 2022. Please refer to Section 5.2(a) in relation to POD Revision risks.

Conrad's plans for gas sales from the Mako Gas Field in the POD Revision focus on the export of gas to Singapore via the WNTS (see the red pipeline in Figure 2.5.7 below). The WNTS is owned by the Government of Indonesia and is operated by Medco Energi on behalf of the other gas suppliers into the system.

Published data (including presentations by SKK Migas) indicate that the WNTS has sufficient capacity to accommodate the gas produced from the Mako Gas Field during the life of the field at the projected production rates estimated by GaffneyCline in the Competent Person's Report for Duyung. Conrad anticipates that a reasonable commercial tariff will be required to be paid to the operators of the WNTS for the use of the pipeline and transportation of gas to Singapore.

In support of future Mako gas sales, Conrad has executed HOAs with two potential Singapore gas buyers and is currently negotiating GSAs with these potential buyers which are expected to be finalised prior to FID.

As noted above, Contractors are subject to a domestic market obligation (**DMO**) requirement set out under the PSC, requiring supply of up to 25% of the Contractors' share of the oil and gas produced from the PSC to meet domestic needs. The obligation under DMO is to make available production at the delivery point for the onward transportation of gas to Indonesia, and does not extend to transportation of any oil or gas beyond the delivery point. In respect of Duyung, there is no current onward transportation of gas available to Indonesia due to the lack of existing infrastructure.

Delivery of Mako Gas Field gas to Indonesia would require the construction of a connecting "spurline" from the WNTS (see Figure 2.5.7 below – "Possible Pemping Spurline"). Such a spurline would have to be built, and paid for, by any potential domestic gas buyer.

While such a spurline is only a relatively short connection, its location in a major shipping lane would require expensive trenching and rock-armouring of the line. As noted in the Competent Person's Report for Duyung in Annexure D, GaffneyCline estimates that construction of such a spurline would cost approximately US\$100 million and thus the likelihood of any potential spurline being constructed remains uncertain. Accordingly, the economic analysis provided by GaffneyCline is based solely on export gas sales outside of Indonesia.

To accommodate the increased estimated resources and production rates for the Mako Gas Field, Conrad for the last two years had been working with SKK Migas on the POD Revision. For this reason, Conrad has not submitted an annual monitoring report under the initial POD to SKK Migas, nor received any warning letter, performance deficiency notice or notice for the review of the approval of the initial POD from SKK Migas in relation to the failure to submit any annual monitoring reports for Duyung.

Figure 2.5.7: Illustration of the southern approaches of the West Natuna Transportation System and its connection to Singapore



(vii) Project Costs

Due to the relatively shallow water and simple field development concept, GaffneyCline estimates total costs for the two phases of development of the Mako Gas Field to be approximately US\$303 million with forecasted costs as shown in Figure 2.5.8 below.

Figure 2.5.8: Expected Capital Costs of the Mako Project (US\$ millions, on a 100% basis)

Capital Expenditure Component	Expected Capital	
	Phase 1	Phase 2
Wells	6 wells (120 MMscfd)	2 wells (120 MMscfd)
Drilling costs	US\$76	US\$27
Construction of pipeline and subsea infrastructure	US\$175	US\$25
Phase Total	US\$251	US\$52
Total	US\$303	

2. Company Overview Cont.

It is expected that operating costs for the Mako project will include (without limitation) costs relating to the hiring of offshore and onshore personnel, logistics, leasing of the MOPU, maintenance of facilities and gas transport tariffs. These estimated costs are outlined in Figure 2.5.9 below, which have been extracted from section 7.3 of the Competent Person's Report for Duyung in Annexure D.

Figure 2.5.9: Expected Annual Operating Costs of the Mako Project (US\$ millions, on a 100% basis)

Operating Expenditure Component	Expected Operating Costs
Personnel, logistics and facilities	\$18.19
MOPU lease	\$16.01
WNTS transport (@120MMscfd)	\$21.06
Total	\$55.63

Conrad will be also responsible for the cost of an abandonment and site restoration (**ASR**) program for the development of the Mako Gas Field. This program is currently estimated to cost the JOA Partners of Duyung approximately US\$15.1 million.

The scope and amount of the ASR is set out in the POD Revision but is re-assessed annually by Conrad and SKK Migas. The ASR costs will be amortized and the prorated portion will be paid into an escrow account and accounted for as an annual operating expense commencing in the first year of commercial production. The escrow account will be jointly operated between SKK Migas and Conrad (as the operator of Duyung).

In addition to the funds raised from the Offer, Conrad and its JOA Partners will require further funding in the future to meet the above-mentioned estimated capital expenditure costs and ongoing operating costs to develop the Mako Gas Field. Such funding may potentially be sourced through project or other debt financing, through the raising of capital from the issuance of further equity securities or potentially through the divestment of assets (including a portion of Conrad's Participating Interest in Duyung). There is a risk that Conrad and/or its JOA Partners will not be able to obtain sufficient funding and consequently may be unable to proceed with the development of the Mako Gas Field (refer to Section 5.1(c) for further information).

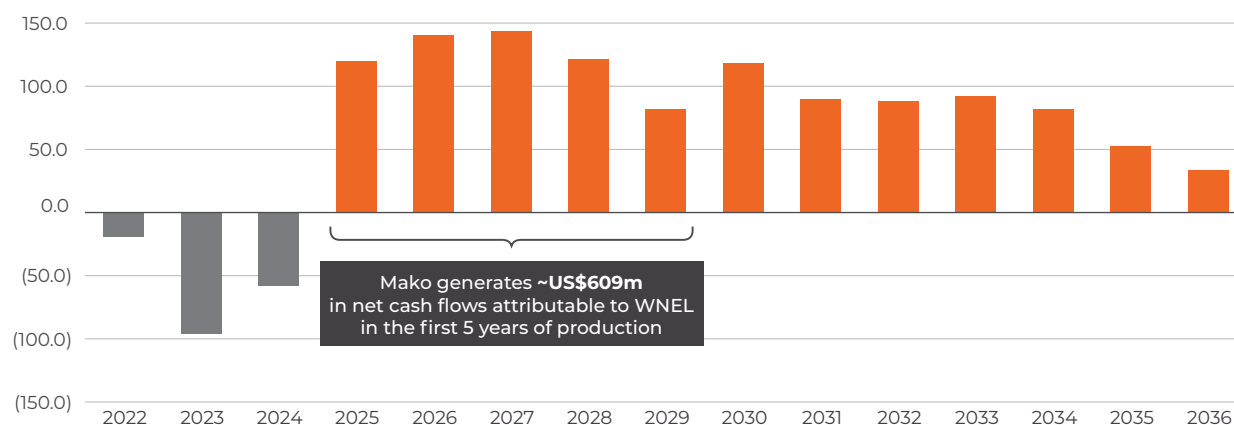
(viii) Economics

The Competent Persons' Report for Duyung in Annexure D outlines the estimated economics of the Mako Gas Field, including Conrad's estimated cash flows and estimated Net Present Value (**NPV**). The economic estimates assume that a FID for the Mako Gas Field will be made by mid 2023 with first gas production estimated for 2025. This timeline will require the POD Revision to be approved by MEMR by the end of 2022.

The estimated operational and economic outcomes of the Competent Persons' Report for Duyung are based on GaffneyCline's 'Best Case' (i.e., most likely case) gross full field 2C Contingent Resource estimate of 413 Bcf for Duyung, and 215 Bcf net attributable to Conrad's Participating Interest in Duyung (refer to section 8.5 of the Competent Person's Report for Duyung in Annexure D). The economic Best Case production life of the field is estimated to be approximately 12 years.

Figure 2.5.10 below outlines GaffneyCline's 'Best Case' estimated cash flows for the Mako project attributable to Conrad based on its Participating Interest in Duyung.

Figure 2.5.10: Estimated Post Tax Net Cash Flows ('Best Case', US\$ millions, attributable to Conrad)



Notes:

1. Estimated cash flows are based on Conrad's 76.5% Participating Interest in Duyung and GaffneyCline's estimate of 88% of gas initially in place lies in areas covered by Duyung.
2. Estimated cash flows are based on Contingent Resource estimates that are "unrisked" and has not been adjusted for any potential risk that the asset may not developed, or may not be developed in accordance with the plan of development.
3. Estimated cash flows have been determined by GaffneyCline using the gas price assumptions in Section 8.3 of the Competent Person's Report in Annexure D.
4. Numbers shown above are based on GaffneyCline 'Best Case' production, capital expenditure and operational expenditure profile outlined in Section 8.5 of the Competent Person's Report in Annexure D.

GaffneyCline also outlines 'Low Case' and 'High Case' economic estimates (please refer to Sections A.III.1 and A.III.3/A.III.4 of the Competent Person's Report for Duyung in Annexure D).

Figure 2.5.11 below outlines GaffneyCline's estimated unrisked NPV for Conrad's Participating Interest in the Duyung PSC based on varying NPV scenarios. Using discounted cash flow analysis on the 'Best Case' production, capital expenditure and operating expenditure profile (refer to section 8.5 in the Competent Person's Report), GaffneyCline estimates a 'Best Case' post-tax NPV10 attributable to Conrad of approximately US\$442 million (this assumes the final economic production year to be 2037, which is the expiry date of Duyung).

Further information is contained in Section 8.5 of the Competent Person's Report in Annexure D, including an outline of the assumptions used by GaffneyCline.

2. Company Overview Cont.

Figure 2.5.11: Estimated “Unrisked” Post-Tax NPVs of the Mako project (US\$ millions, attributable to Conrad’s Participating Interest within the life of the PSC)

US\$ million	Estimated Unrisked Net Present Value (Post Tax)		
	Low Case	Best Case	High Case
NPV (5%)	US\$355	US\$654	US\$708
NPV (8%)	US\$291	US\$516	US\$553
NPV (10%)	US\$255	US\$442	US\$470
NPV (12%)	US\$223	US\$379	US\$402
IRR	46%	51%	51%

Notes:

1. The estimated NPVs are calculated by GaffneyCline from discounted cash flows incorporating the fiscal terms governing the PSC. It is assumed that cash flows from production will last until the PSC expiry date or ELT, whichever is the earlier.
2. The estimated NPVs are based on Contingent Resources estimates that are “unrisked” and has not been adjusted for any potential risk that the asset may not developed, or may not be developed in accordance with the plan of development.
3. Estimated cash flows have been determined by GaffneyCline using the gas price assumptions in Section 8.3 of the Competent Person’s Report in Annexure D.
4. The estimated NPVs do not represent an opinion as to the market value of a property or any interest in any property.
5. The estimated NPVs are based on Conrad’s 76.5% Participating Interest in Duyung and GaffneyCline’s estimate of 88% of gas initially in place is covered by the areas in Duyung.
6. Numbers shown above are based on GaffneyCline’s ‘Low Case’, ‘Best Case’ and ‘High Case’ production, capital expenditure and operational expenditure profiles outlined in Section 8.5 of the Competent Person’s Report in Annexure D.

(ix) Planned Activity (Next 12 – 24 Months)

Conrad intends to proceed to the development of the Mako Gas Field in 12-24 months from the Prospectus Date. The development of the Mako Gas Field in Duyung is subject to a FID by Conrad and its JOA Partners, which is targeted for mid 2023. FID will be conditional on a number of factors, including:

- approval of the POD Revision by MEMR by the end of 2022;
- finalisation of relevant front-end engineering and design work;
- arranging standard contracts for engineering, drilling and procurement for material activities;
- securing reasonable WNTS access agreements;
- obtaining all required environmental and government permits and approvals for the proposed activities in the Mako Gas Field under the POD Revision (refer to Section 3.7(f) for a summary of environmental and government permits);
- finalisation, and approval by relevant parties, of GSA(s) for the delivery of at least an amount equal to the estimated Low Case Contingent Resources under the Competent Person’s Report for Duyung (outlined in Table 16 in Section 8.4 of the Competent Person’s Report for Duyung in Annexure D);
- securing finance of at least an amount equal to the estimated capital expenditure cost of US\$251 million to support the first phase of Mako development in accordance with the Competent Person’s Report; and
- approval from JOA Partners holding 75% or more in Duyung.

As noted above, reaching FID will be dependent on Conrad, and its JOA Partners, securing adequate financing arrangements to finance the development of Duyung, on commercially acceptable terms. The Company intends to apply the proceeds of the Offer in accordance with Section 7.1(b) and will require further funding from external sources to reach FID, commence development of the Mako project and mature its other assets. Refer to Section 2.5(a)(vii) for an outline of the estimated project costs for the Mako project and Section 5.1(c) for an outline of the risks involved with obtaining further financing.

Subject to approval of FID by two unrelated JOA Partners holding 75% or more in Duyung and consistent with Phase 1 of the POD Revision, Conrad plans the construction of facilities and leasing of the MOPU to commence during late 2023, with drilling work and pipeline installation to then commence in mid to late 2024 if further financing is obtained.

(b) Offshore Mangkalihat (OM) PSC

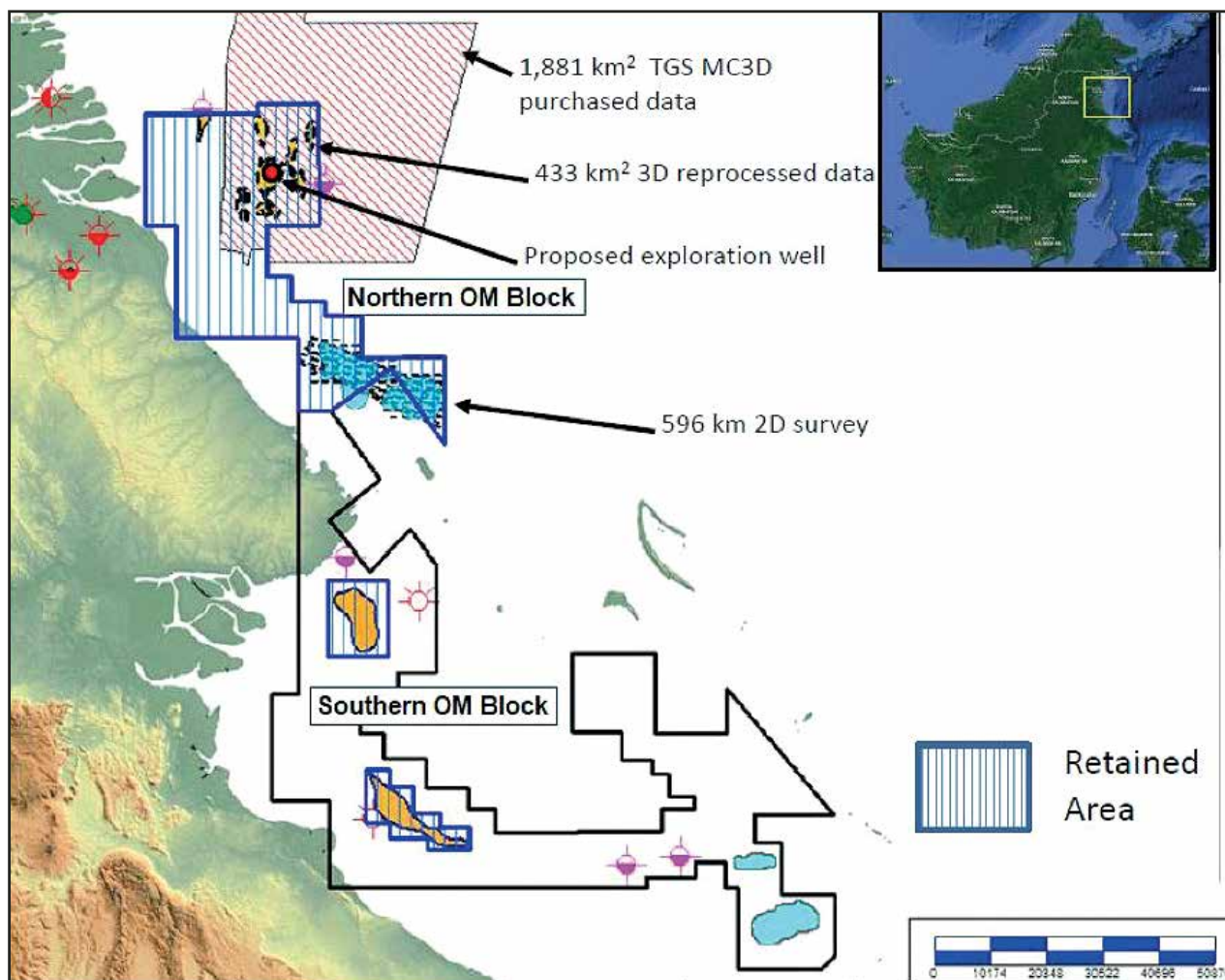
(i) Overview

Conrad has a 100% operated Participating Interest in OM via its wholly owned subsidiary, Conrad Petroleum OM Pte Ltd (**Conrad OM**), an entity incorporated in Singapore. Conrad has sought a three year extension of time from MEMR to complete its existing exploration commitments under the PSC (refer to Section 2.5(b)(iv) below). SKK Migas offered an extension until 4 July 2023 with the work program including the drilling of an exploration well. The Company is currently negotiating with SKK Migas for a longer extension that will include seismic data acquisition ahead of the exploration well. There is a risk that SKK Migas does not provide such an extension in which case the Company may decide to relinquish the PSC.

OM covers a working area of 1,650 square kilometres in the Tarakan Basin, northeast Kalimantan. The working areas are located offshore in shallow water depths ranging from 2 to 100 metres. OM comprises three working areas as illustrated in Figure 2.5.12: two small areas in the south (referred to as the Southern OM Block) and a single larger block in the north (referred to as the Northern OM Block).

OM is currently in the exploration period of the PSC until 4 July 2023, which requires Conrad to complete certain exploration program commitments by certain milestones during the exploration period. Through its exploration activities, Conrad has identified several Leads in OM that it intends to explore through the acquisition of further seismic data and, subject to results, may proceed to the drilling of exploration wells.

Figure 2.5.12: Location Map of OM PSC



Note:

1. Working areas in OM are contained within the blue lines.

2. Company Overview Cont.

(ii) Brief History of the OM Area

OM covers a working area located in the Greater Tarakan Basin, which has an extensive history of exploration. Petroleum exploration started in the area as early as 1897 by Tarakan Petroleum Maatschappij, a Dutch company. Exploration in the Tarakan Sub basin began over 50 years ago, with several notable discoveries of both oil and gas, including the Banyu, Tarakan, Badik and West Badik fields.

OM was originally awarded to a consortium comprising Indonesian upstream oil and gas companies Samudra Energy Ltd. and Caelus Asia GP Ltd. on 15 May 2013 with an expiry date of 15 May 2043. In January 2021, MEMR approved the transfer of operatorship and 100% of the Participating Interest of OM to Conrad OM.

In 2020, Conrad OM funded the purchase of 1,881 square kilometres of high-resolution 3D seismic data from TGS ASA, a Norwegian energy data and analytics company, and reprocessed 433 square kilometres of 3D seismic data over the Northern OM Block. In order to continue exploration and appraisal activities and commence exploration drilling operations, under the exploration work program of OM, the reprocessed high-resolution 3D seismic data was utilised and managed to define the Labu structure.

(iii) Resources

The estimated oil and gas resources of the working areas in OM have been independently assessed by GaffneyCline and are summarised in Figure 2.5.13 below. The PSC contains numerous Prospects and Leads but no discovered resources. GaffneyCline estimates that a gas discovery is more likely given the history of gas discoveries in the Greater Tarakan Basin.

Figure 2.5.13: Summary of the Estimated Gross Prospective Resources of the Leads and Prospects in OM (see Section 8 of the Competent Person's Report for OM in Annexure E)

Structure ¹	Prospect/Lead	Gas Prospective Resources (Bcf) ^{2,4,5}			Oil Prospective Resources (MMBbl) ^{2,4,5}			GCoS ³ (%)
		P90	P50	P10	P90	P50	P10	
Labu	Prospect	77.4	208.5	649.1	15.8	58.4	216.5	22
Pare	Prospect	21.6	59.5	174.7	4.3	16.8	58.8	25
Pinang	Prospect	8.1	24.1	74.9	1.8	7.0	25.7	25
Beluga	Lead	82.5	173.6	336.5	36.1	74.1	139.7	11
Utsuri	Lead	61.5	206.1	638.0	18.9	63.6	195.1	14
Yuki	Lead	245.0	511.1	1,079.0	76.7	158.9	336.5	12
Omura	Lead	150.0	314.1	584.9	44.7	94.2	180.2	12

Notes:

- Gross Prospective Resources are 100% of the volumes estimated to be recoverable from the prospects in the event that a discovery is made and subsequently developed.
- Net Prospective Resources in this table are Conrad's working interest fraction of the gross Prospective Resources; they do not represent Conrad's actual net entitlement under the terms of the PSC that governs the asset, which would be lower.
- Prospective Resources estimates are presented as unrisks but are presented together above with the associated estimated "Risk Factor", which is expressed as the "Geological Chance of Success" (GCoS), an indicative estimate of the probability that drilling this prospect would result in a discovery of hydrocarbons. This, then, is the chance or probability of the Prospective Resource maturing into a Contingent Resource. This does not include any assessment of the risk that the discovery, if made, may not be developed. The assumptions underlying the GCoS is discussed Section 6.3 of the Competent Person's Report for OM in Annexure E and the Chance of Development (CoD) is discussed in Section 6.4 of the Competent Person's Report for OM in Annexure E.
- The identification of Prospective Resources associated with a prospect is not indicative of any certainty that the prospect will be drilled in a timely manner by the operator.
- Prospective Resources should not be aggregated with each other or with Reserves or Contingent Resources, because of the different levels of risk involved and the different basis on which the volumes are determined.
- Given the regional tendency for gas, GaffneyCline believes a gas discovery is more likely.

(iv) Planned Activity (Next 12 – 24 Months)

In the 12-24 months from the Prospectus Date, Conrad intends to complete its commitments under the PSC's exploration work program, which include the acquisition and processing of further 2D seismic data and, potentially, the drilling of an exploration well. Under the terms of OM, the drilling of an exploration well was required to be completed by 15 May 2022. On 5 July 2022, Conrad was granted an extension of time by SKK Migas until 4 July 2023 to complete drilling of one exploration well. If Conrad does not complete this exploration work program commitment by 4 July 2023, then OM shall automatically terminate, and Conrad shall immediately relinquish all of the remaining working areas under OM to the Government of Indonesia. Further, the failure to discover commercial quantities of resources by the expiry of the exploration period will result in the PSC automatically terminating.

Conrad is currently negotiating with SKK Migas for a longer extension that will include seismic data acquisition ahead of an exploration well.

See Section 5.2(f) in relation to the risks of the expiry and proposed extension of the exploration period for OM.

Consistent with the exploration work program, within the timeframe allowed by any potential extensions, Conrad is considering acquiring further seismic data over three of the largest Leads in OM being the Beluga, Omura and Yuki Leads. Following the seismic data collection and processing, Conrad intends to conduct geological and geophysical studies to potentially mature the Leads to Prospects following which Conrad then intends to farm-out a portion of its Participating Interest in the PSC, with a view to mature the Prospects towards drilling.

(c) Offshore North X-Ray PSC

Conrad had a 100% operated interest in Offshore North X-Ray PSC (**ONXR**) via its wholly owned subsidiary, Conrad Petroleum (V) Ltd, an entity incorporated in the Seychelles. The PSC was acquired in May 2013 through a direct offer tender process.

ONXR is located approximately 100 kilometres north of West Java. ONXR covers a working area of approximately 803 square kilometres.

During 2021, the Company acquired and processed 140 square kilometres of 3D seismic data. After the interpretation of the seismic and well data, no technically nor economically robust and drillable targets were identified by Conrad. The exploration period for the ONXR PSC expired on 14 May 2022 and the Government of Indonesia confirmed the termination of ONXR on 23 May 2022. Conrad has started the process to relinquish ONXR back to the Government of Indonesia and there are no outstanding firm work or relinquishment commitments under the terms of ONXR.

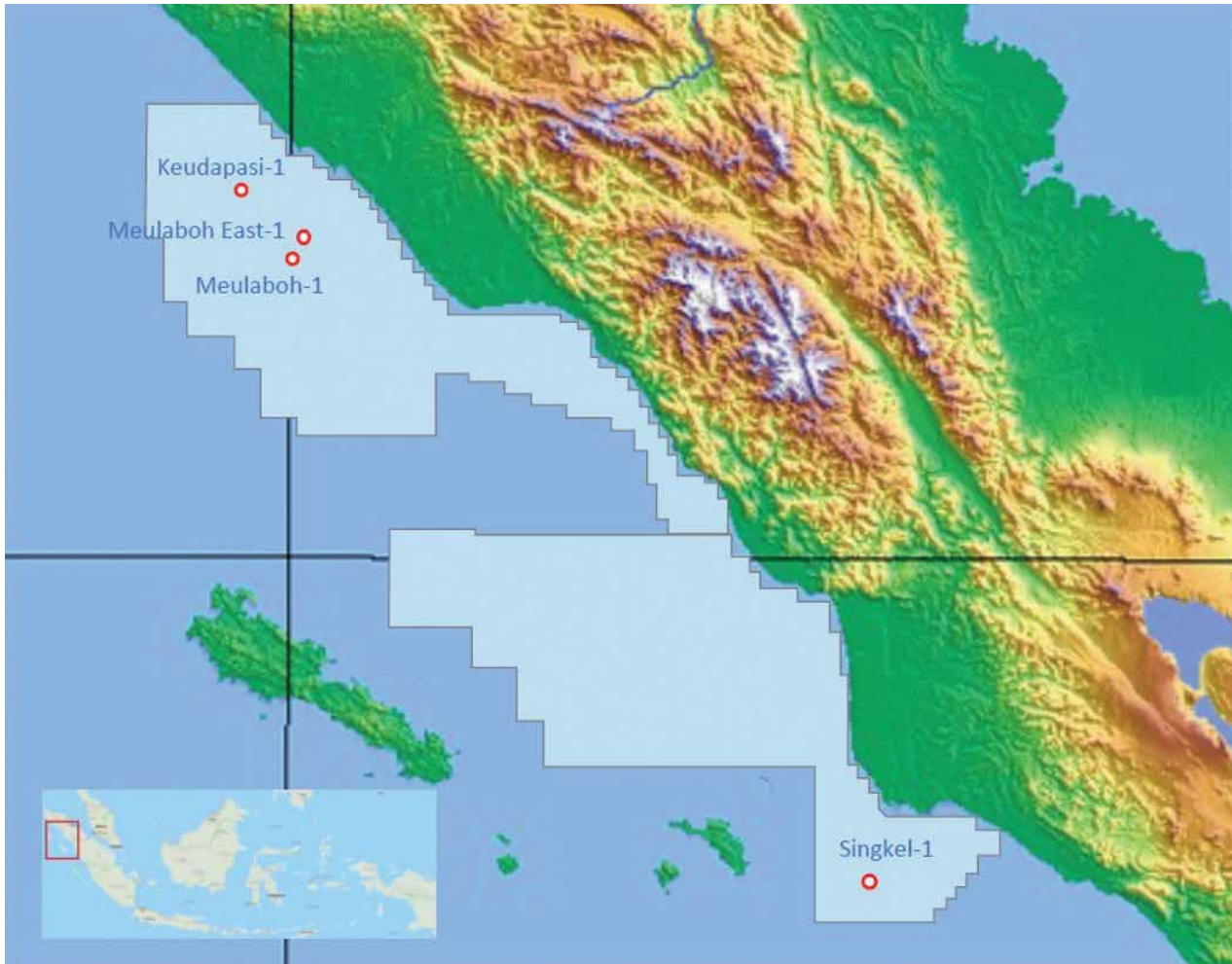
(d) Offshore Aceh JSAs

(i) Overview

In November 2018, Conrad was granted two Joint Study Areas located offshore Northwest and Southwest of the Aceh Province of Indonesia (see Figure 2.5.14 below). The two Aceh JSAs cover a combined working area of approximately 20,000 square kilometres, with each area containing gas discoveries. The water depths in the two working areas vary between 5 metres and 1,500 metres with the existing discoveries located in water depths of approximately 50 metres and 80 metres respectively.

2. Company Overview Cont.

Figure 2.5.14: Location Map of Offshore Aceh JSAs



A JSA requires the grantee to commission an Indonesian university to undertake physical and/or desktop studies over the area. Conrad commenced work under the JSAs in February 2019, and engaged two different Indonesian universities to assist with the joint studies; one for each JSA.

Conrad and these universities completed their joint study obligations under the terms of the Aceh JSAs in mid-2020. The studies, which included surveys, data and findings of the working areas, were submitted to and accepted by MEMR. As a result of successfully completing the joint studies, Conrad is entitled to the right to match the offers of other bidders if the areas are offered as PSCs in a tender. The proposed timing for the bid process of the Aceh JSAs is outlined in Section 2.5(d)(iii) below. The risks in relation to this process are discussed further in Section 5.2(g).

(ii) Brief History of the Area

The wider northwest Sumatra area has been explored for hydrocarbons since 1968 with varying success. Following the discovery in the 1970s of small gas accumulations that were, at the time, deemed non-commercial during the 1970's, exploration efforts in the region were discontinued.

Conrad recognises hydrocarbon potential in the existing shallow water discoveries and in the unexplored deep water of the blocks.

(iii) Bid process for Aceh JSAs

The tender processes for the Aceh JSA's are currently ongoing with the following dates for submission and PSC award:

Access Bid Document	20 July – 2 September 2022
End of Bid Submission	6 September 2022
Right to Match Acceptance	13 September 2022
Bid Winner Announcement	4 October 2022
Winner Acceptance	28 October 2022
Signing PSC Contract	4 December 2022

The dates above are based on the bid documents collected from MEMR.

A draft PSC contract is included in the bid documents and the proposed fiscal terms are summarised below. These two PSCs will be awarded under the Cost Recovery Scheme.

Item	Term
PSC Contract Duration	30 years
Exploration Period	6 years
Extension for Exploration Period	4 years
Relinquishment at end of 6 years	Max 20%
Performance Bond	US\$1,500,000
DMO	25%
Cost Recovery Oil Split (Contractor)	35.8974% (Government of Indonesia) 64.1046% (Contractor)
Cost Recovery Gas Split (Contractor)	27.8846% (Government of Indonesia) 72.1154% (Contractor)
First Tranche Petroleum (FTP)	10% (shareable according to above split)

2. Company Overview Cont.

The minimum firm work commitments for each PSC include 500 square kilometres of 3D seismic and the drilling of an exploration well.

Conrad currently intends to submit a bid for both PSCs offered. As noted in Section 2.5(d)(i) above, Conrad has a first right of refusal over the PSCs that are offered in the tender process.

If successful, Conrad will have to submit a performance bond of US\$1.5 million for each PSC prior to signing of the PSC contract. If Conrad is awarded the two PSCs, its strategy would be to initially focus on the appraisal and development of the discovered shallow water gas resources. During the first year, 2023, gas market development will be the priority accompanied by various geological and geophysical studies covering the entire area. 3D seismic will be shot during 2024 and the obligation exploration well will be drilled during 2025.

During the second half of 2023, Conrad will also commence farm-out efforts in an attempt to find suitable coventurers with deep water technical capabilities. The above-described work programme may be amended in-line with the outcome of the farm-down process.

If Conrad is awarded either or both PSCs prior to Completion, Conrad will provide supplementary disclosure.

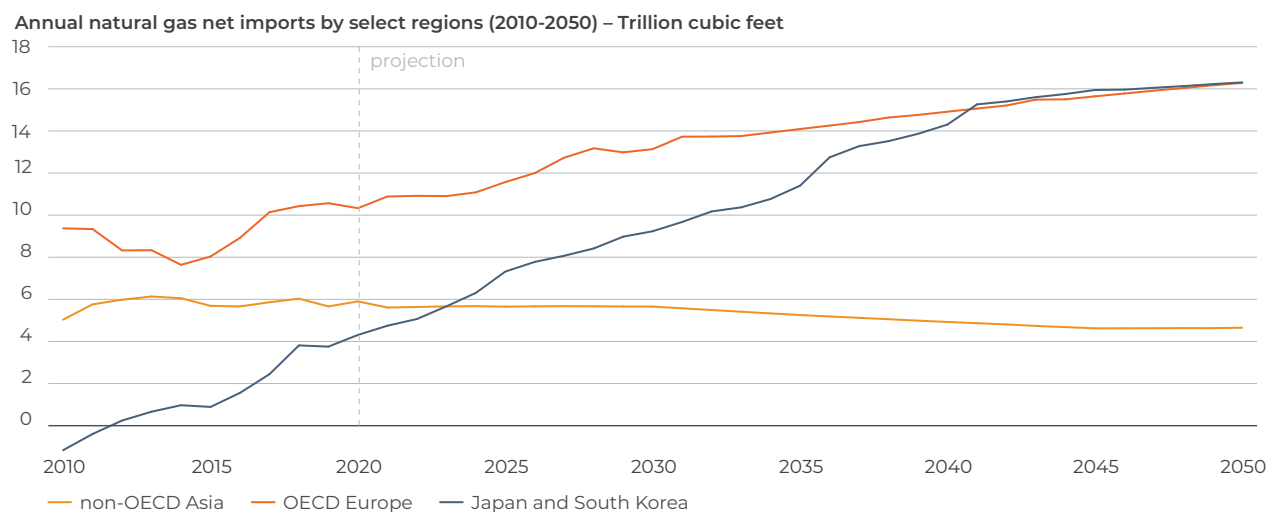
2.6 Growth Strategy

Conrad's core business is discovering and developing hydrocarbon resources to supply reliable, lower emissions energy to advance the cleaner energy transition (for example from coal and diesel to natural gas) in Indonesia and adjacent Southeast Asian markets.

Conrad believes there is a significant market opportunity in Asia to provide natural gas to customers as a cleaner alternative to more carbon intensive coal power generation and/or the use of diesel fuel and/or the import of higher carbon intensity LNG to enable the region to sustain its strong economic growth.

As noted in Figure 2.6.1 below, the US Energy Information Agency estimates natural gas imports to non-OECD countries in Asia to almost quadruple over the next 20 years, reaching the level of natural gas imports to OECD countries in Europe.

Figure 2.6.1: US Energy Information Agency's Estimated Net Gas Imports by Select Regions¹¹



11. U.S. Energy Information Administration, International Energy Outlook 2021, Chart Library, Natural gas, page 11 <https://www.eia.gov/outlooks/ieo/pdf/IEO2021_ChartLibrary_NaturalGas.pdf>.

Conrad's current strategic focus is on natural gas assets specifically in shallow waters with opportunities for low-cost development and near-term production and are located offshore Indonesia. Through additional capital investment and financing, Conrad strives to mature, develop and maximise economic recovery from these opportunities.

Conrad holds, and aims to grow, a balanced portfolio of assets in Indonesia and across the Southeast Asian region. Conrad aims to develop the Mako Gas Field and seek further opportunities for low-risk gas exploration and appraisal and/or identification of large-scale opportunities.

Conrad believes that it has scope for organic growth within its current portfolio, particularly through its operatorship of the Mako Gas Field and the exploration and appraisal potential of its exploration assets of OM and the Aceh JSAs over which Conrad has rights to match.

Conrad may also augment the potential growth from the maturation of its existing assets through the acquisition of new assets, either by direct application or through farm-in arrangements.

Conrad currently holds all of its assets with high Participating Interests, affording the Company greater control of its projects as well as flexibility of funding opportunities in the future by selling down Participating Interests in its projects. Conrad's preference is to be the operator of the PSCs it holds, but this approach is determined by Conrad on case-by-case basis and will be re-assessed periodically.



3.

Industry Overview

3. Industry Overview

3.1 Introduction

As outlined in section 2, Conrad is focused on the exploration, appraisal and development of offshore natural gas projects in Indonesia.

Asia¹² is increasingly becoming a major consumer of both oil and natural gas. In 2020, Asia consumed 33 million barrels per day (MMbopd) of oil and 78.8 billion standard cubic feet per day (Bcf) of natural gas. This represented 36% of global oil demand and 21% of global natural gas demand in 2020.¹³

Between 2010 and 2020, demand for oil grew at a compound annual growth rate (**CAGR**) of 2.0% in Asia, compared to a CAGR of 0.3% globally. During this period, oil demand growth in Asia of 6.0 MMbopd was over two times more than total global oil demand growth of 2.7 MMbopd. Demand for natural gas between 2010 and 2020 grew at a CAGR of 4.2% in Asia, compared to a CAGR of 1.9% globally. During this period, Asia represented 42% of total natural gas demand growth.¹⁴

Asia is currently a net importer of both oil and natural gas. In 2020, Asia produced 6.5 MMbopd of oil and 49.2 Bcf of natural gas, which represented 21% and 62% of its total consumption, respectively. Natural gas production in Asia has been relatively consistent (42-49 Bcf, 2010-2020¹⁵), however oil production in Asia declined by 14% between 2015 and 2020. As of the end of 2020, Asia accounted for only 7.5% of proved reserves of natural gas globally, with 59% of those reserves in China.¹⁶

3.2 Overview of the Indonesian Oil and Gas Industry

(a) Demand and Supply

Indonesia is a major global producer of both oil and natural gas. In 2020, Indonesia produced 743,000 barrels of oil per day (**Bopd**) and 6.1 Bcf of natural gas.¹⁷ While this makes Indonesia the third largest producer of both oil and natural gas in Asia, its production of both oil and natural gas has not been able to keep up with growing domestic demand.¹⁸

Due to this increasing demand, Indonesia became a net importer of oil in 2003 (see Figure 3.2.1). Driven by strong economic growth, Indonesia's oil demand grew at a CAGR of 2.5% between 2009 and 2019. In 2020, oil consumption fell by approximately 23% following the onset of the COVID-19 pandemic and resultant economic recession.¹⁹

12. Unless otherwise noted, "Asia" defined in this Prospectus as "Asia Pacific" excluding Australia and New Zealand.

13. bp, Statistical Review of World Energy 2021, 70th edition, Statistical Review of World Energy – all data, 1965-2020 – xlsx download, "Oil Consumption – Barrels" and "Gas Consumption – Bcf" worksheets. Statistical Review of World Energy – all data, 1965-2020.

14. bp, Statistical Review of World Energy 2021, 70th edition, Statistical Review of World Energy – all data, 1965-2020 – xlsx download, "Oil Consumption – Barrels" and "Gas Consumption – Bcf" worksheets. Statistical Review of World Energy – all data, 1965-2020.

15. bp, Statistical Review of World Energy 2021, 70th edition, Statistical Review of World Energy – all data, 1965-2020 – xlsx download, "Oil Production – Barrels" and "Gas Production – Bcf" worksheets. Statistical Review of World Energy – all data, 1965-2020.

16. bp, Statistical Review of World Energy 2021, 70th edition, Statistical Review of World Energy – all data, 1965-2020 – xlsx download, "Gas Proven Reserves – Bcf" worksheet. Statistical Review of World Energy – all data, 1965-2020.

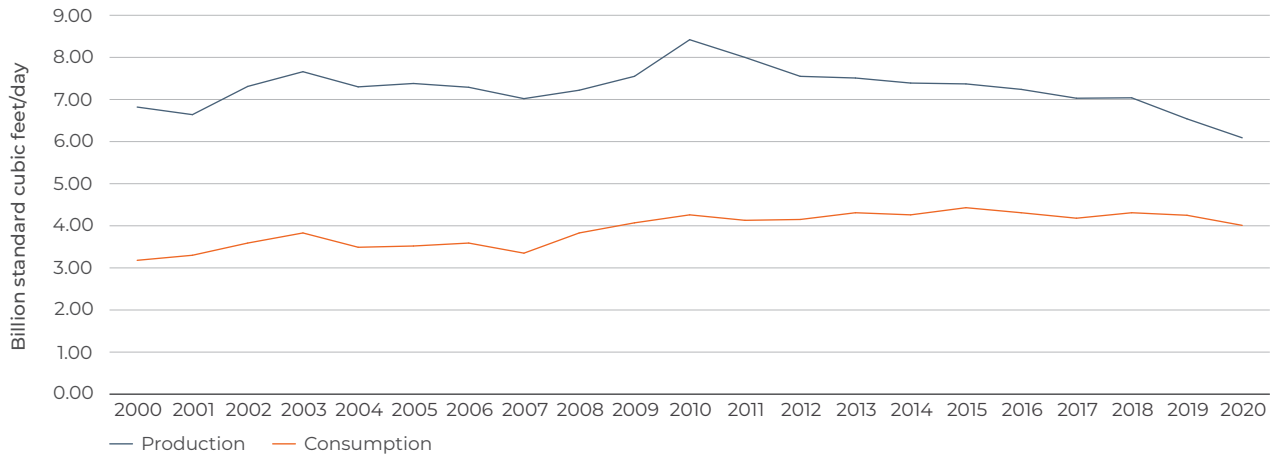
17. bp, Statistical Review of World Energy 2021, 70th edition, Statistical Review of World Energy – all data, 1965-2020 – xlsx download, "Oil Production – Barrels" worksheet. Statistical Review of World Energy – all data, 1965-2020.

18. bp, Statistical Review of World Energy 2021, 70th edition, Statistical Review of World Energy – all data, 1965-2020 – xlsx download, comparison of "Oil Consumption – Barrels" with "Oil Production – Barrels" worksheets and "Gas Consumption – Bcf" with "Gas Production – Bcf" worksheets. Statistical Review of World Energy – all data, 1965-2020.

19. Data extracted from bp, Statistical Review of World Energy 2021, 70th edition, Statistical Review of World Energy – all data, 1965-2020 – xlsx download, "Gas Consumption – Bcf" and "Gas Production – Bcf" worksheets. Statistical Review of World Energy – all data, 1965-2020.

3. Industry Overview Cont.

Figure 3.2.1: Indonesian Natural Gas Production & Consumption²⁰

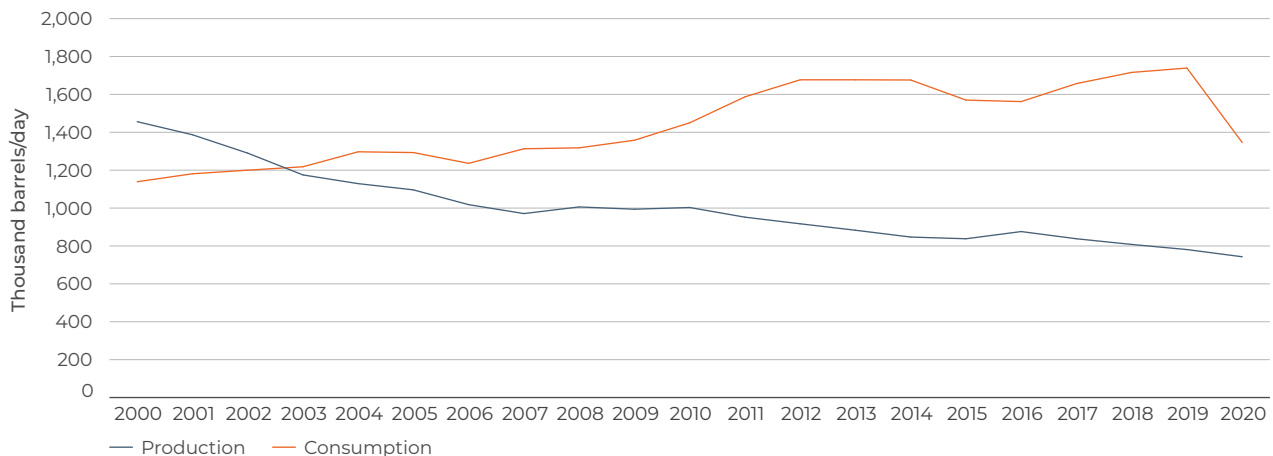


Source: bp Statistical Review of World Energy 2021, 70th edition

With few significant oil discoveries in Western Indonesia over the last ten years, Indonesia still relies upon the mature oil fields in those areas that continue to decline in production.²¹ This has contributed to a steady decline in Indonesia’s domestic oil production since 2000, which decreased at a CAGR of 2.4% between 2009 and 2019 and by 4.9% in 2020. As a result of these trends, net imports of oil in Indonesia have grown accordingly.²²

Despite declining production over the last decade, Indonesia remains a net exporter of natural gas. Production of natural gas in Indonesia peaked at 8.4 Bcf in 2010 but has declined over time to an average of 6.1 Bcf/d in 2020 (see Figure 3.2.2 below). Domestic consumption has remained consistent over this period, ranging between 4.0 – 4.4 Bcf,²³ despite strong economic growth.

Figure 3.2.2: Indonesian Crude Oil Production & Consumption²⁴



20. Data extracted from bp, Statistical Review of World Energy 2021, 70th edition, Statistical Review of World Energy – all data, 1965-2020 – xlsx download, “Gas Consumption – Bcf” and “Gas Production – Bcf” worksheets. Statistical Review of World Energy – all data, 1965-2020.

21. PricewaterhouseCoopers, *Oil & Gas in Indonesia, Investment and Taxation Guide, 11th Edition*, Page 17 <<https://www.pwc.com/id/en/energy-utilities-mining/assets/oil-and-gas/oil-and-gas-guide-2020.pdf>>.

22. bp, Statistical Review of World Energy 2021, 70th edition, Statistical Review of World Energy – all data, 1965-2020 – xlsx download, “Oil Production – Barrels” worksheet. Statistical Review of World Energy – all data, 1965-2020.

23. bp, Statistical Review of World Energy 2021, 70th edition, Statistical Review of World Energy – all data, 1965-2020 – xlsx download, comparison of “Gas Consumption – Bcf” with “Gas Production – Bcf” worksheets. Statistical Review of World Energy – all data, 1965-2020.

24. bp, Statistical Review of World Energy 2021, 70th edition, Statistical Review of World Energy – all data, 1965-2020 – xlsx download, comparison of “Oil Consumption – Barrels” with “Oil Production – Barrels” worksheets. Statistical Review of World Energy – all data, 1965-2020.

Source: bp, Statistical Review of World Energy 2021, 70th edition

Industry and power generation comprised the two largest sources of gas demand in Indonesia in 2020, as detailed in Figure 3.2.3 below.²⁵

Figure 3.2.3: Indonesian Gas Demand

Source of Demand	%
Industry	35.0%
Power generation	36.5%
City Gas	0.6%
Transportation	0.3%
Fertilisers/Petrochemicals	22.9%
Lifting	4.7%

The development of gas transmission and distribution is required to increase gas utilisation in the Indonesian domestic market.²⁶ The relatively limited infrastructure is caused by the low investment outside the island of Java and the geography of Indonesia that is dominated by numerous islands. A second key factor in the historical limited growth in demand for natural gas in Indonesia is the competition that gas faces from abundant, cheap local coal – the use of which currently dominates the Indonesian power generation sector.

(b) Oil Pricing

Whilst Conrad is focused on gas markets within Southeast Asia, the price of oil and factors affecting oil price movement are common considerations in GSAs. This applies to LNG and increasingly to pipeline gas (which competes with LNG imports). Both are commonly priced with reference to a marker oil product such as Brent crude. This is generally the case for gas imports into Singapore.

As a global commodity, oil prices are influenced by supply and demand as well as other macroeconomic events. Prices received by Indonesian oil producers fluctuate with those elsewhere in the world.

The fundamental drivers of oil price are supply, demand and market sentiment toward the physical product and oil futures contracts. Oil supply is partly controlled by an intergovernmental organisation of oil-producing nations called the Organization of the Petroleum Exporting Countries (**OPEC**), as well as external factors such as exploration and production costs, investments, innovations and even weather patterns.²⁷ Oil demand is driven by economic growth and the level of industrial production. The product has a variety of applications including gasoline/petrol for cars, airline travel, and electrical generation. Together, the aforementioned factors may influence both short and long-term oil price movement.

(c) Natural Gas Pricing

There are various factors that impact natural gas pricing in Asia, including some of the factors outlined below.

MEMR determines the allocation, utilisation and sale of natural gas that is produced from any PSC and must approve all GSAs. As previously noted, Contractors are subject to a domestic market obligation (**DMO**) requirement set out under the terms of each PSC, and Government of Indonesia Regulation No. 35 of 2004 on Upstream Oil and Gas Activity, as amended from time to time (**GR 35/2004**), which requires Contractors to supply 25% of their share of the oil and gas produced to meet domestic needs. This DMO is to make available production to Indonesia but does not extend to transportation of any oil and gas. MEMR approval is required for the price and volume of all gas to be exported, and for the price of any gas for domestic sale.

25. Data extracted from presentation by Kusi Widodo entitled "Indonesia Gas Price and Market Outlook PT Pertamina Gas", Kusi Widodo, 2021, IPA CONVEX, September 2021, Slide 13.

26. Data extracted from presentation by Budiman Parhusip entitled "Improving Gas Utilisation as Energy Transition Cleaner Fuel", Budiman Parhusip, Pertamina Subholding Upstream Energy, IPA CONVEX, September 2021, Slide 3.

27. Investopedia, Nick Lioudis, *OPEC's Influence on Global Oil Prices* <<https://www.investopedia.com/ask/answers/060415/how-much-influence-does-pec-have-global-price-oil.asp>>.

3. Industry Overview Cont.

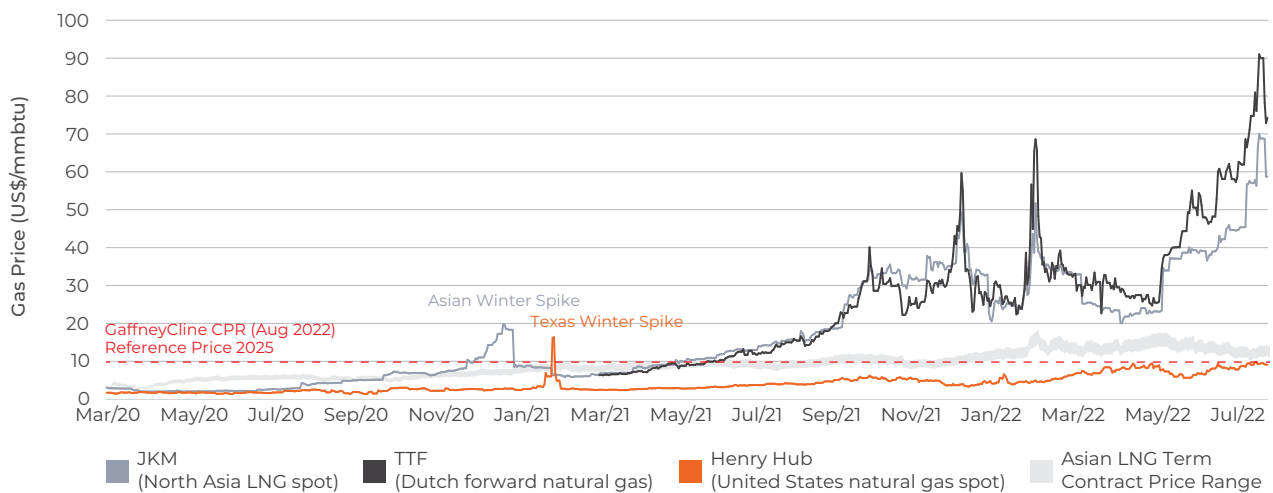
However, if the Government of Indonesia cannot identify domestic demand for the natural gas or if arms-length commercial negotiation with potential domestic buyer fails, then the contractors may sell the natural gas to the international market after securing the Government of Indonesia approval.

In March 2020, the Government of Indonesia announced that the price of gas sold domestically for supply to power generation and certain industry market segments would be capped at US\$6 per Million British Thermal Units (MMBtu) until 2024. Domestic gas prices may be fixed or linked to the domestic rate of inflation. Such pricing provides low risk, long term secure cashflows and some exposure to price upside.

Indonesia currently exports approximately 30% of its total gas production mostly as liquefied natural gas under long term offtake contracts, which specify volume and price. Typically, these contracts formulaically link the price of liquefied natural gas to prevailing international oil prices. In recent years, a spot market for liquefied natural gas has also emerged, fuelled by new entrants into the market.²⁸

Indonesia also exports natural gas by pipeline to Singapore and Malaysia. Typically, current and new GSAs for the supply of gas into Singapore are linked to international energy prices such as the price of Brent crude oil.

Figure 3.2.4: Selected Daily Natural Gas and LNG Prices (Mar-20 to Aug-22)



Source: Bloomberg, The Lantau Group.

Figure 3.2.4 (above) illustrates selected historical spot (LNG & pipeline) gas prices in the period May 2020 to August 2022 and Asian LNG term-contract ranges (grey). The figure highlights the recent marked increase in gas prices and shows the 2025 reference gas price assumed by GaffneyCline in the Duyung Competent Persons Report (Annexure D).

3.3 Competitive Landscape

There are many entities that compete to explore for, appraise and produce oil and natural gas in Indonesia, comprising state-owned oil companies and domestic and international oil companies of various sizes.

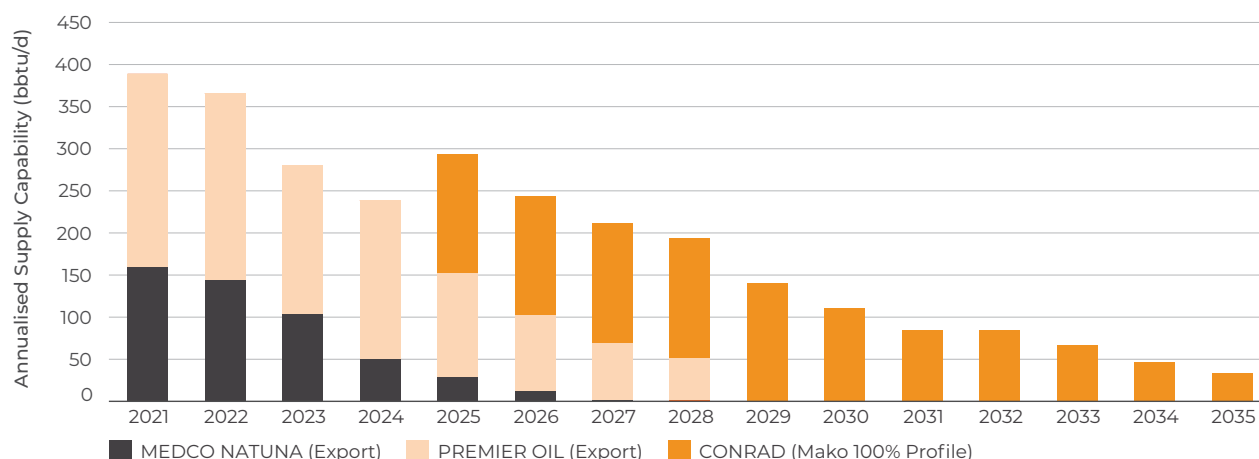
Pertamina, the state-owned integrated energy company of Indonesia, through several different subsidiaries, is the largest market participant actively exploring for, developing and producing oil and natural gas in Indonesia. Since 2016, Pertamina has been awarded a number of expiring PSCs including Offshore Mahakam and Rokan. Other Indonesian based operators include: Medco Energi, Star Energi, Saka Energi (now a Pertamina Subsidiary) and Energi Mega Persada.

BP, through its participation in the Tangguh LNG project, is the largest gas producer in Indonesia whilst ExxonMobil, operating the Cepu field, is the largest foreign oil producer in Indonesia.

28. Reuters, Jessica Jaganathan, *RPT-Oil-linked LNG may be here to stay after spot market skyrockets* <<https://www.reuters.com/article/lng-contracts-pricing-idUSL1N2JQ02W>>.

Other international upstream operators in Indonesia include Eni S.p.A, Repsol and Petronas. The graph below in Figure 3.3.1 outlines the leading position of Medco Energi and Premier Oil in the Natuna Sea and the expected production profile of the Mako Gas Field in comparison to other existing gas producers in the Natuna Sea during the term of Duyung.

Figure 3.3.1: Annual Estimated Sales Gas Capability of Certain Operators in the Natuna Sea (bbtu/d)



Note: Conrad's estimated production capability illustrated above is based on 100% of the Participating Interests in Duyung, and not Conrad's actual Participating Interest of 76.5% and GaffneyCline's estimate of 88% of gas initially in place being covered by the working areas in Duyung. The estimated production capability has been determined by GaffneyCline in Section 8.5 of the Competent Person's Report for Duyung in Annexure D as the 'Best Case' estimates. **Source:** SKK Migas "Materi Gas Balance Indonesia", September 2020.

3.4 Indonesia's Resource Base

Indonesia has been active in the oil and gas sector for more than 130 years, with the first oil discovery in North Sumatra in 1885.

Indonesia is host to a number of geological basins that continue to offer potential for oil and gas exploitation. Indonesia has 60 sedimentary basins, including 36 in Western Indonesia that have been thoroughly explored, and 14 which are currently producing oil and gas. In under-explored areas of Eastern Indonesia, 39 tertiary and pre-tertiary basins show rich promise in hydrocarbons. About 75% of exploration and production is located in Western Indonesia.²⁹

At the end of 2020, the working areas in Indonesia contained proved oil reserves of 2.4 billion barrels and proved gas reserves of 44.2 Trillion cubic feet (Tcf).³⁰ In respect of the total size of estimated gas reserves, Indonesia ranks 21st in the world and third in the Asia-Pacific region (following China and Australia).³¹

Indonesia ranked as the twelfth largest gas producer in the world in 2020 with a total volume produced of 2.2 Tcf within that year.³²

Figure 3.4.1 below illustrates gas production since 2010 by region in Indonesia and the estimated production for the next 10 years based on discovered resources but not necessarily approved projects. The three largest producing regions in Indonesia are Sumatra, Kalimantan and West Papua with the Natuna Sea ranked sixth.

29. PricewaterhouseCoopers, *Oil & Gas in Indonesia, Investment and Taxation Guide, 11th Edition*, Page 17 <<https://www.pwc.com/id/en/energy-utilities-mining/assets/oil-and-gas/oil-and-gas-guide-2020.pdf>>.

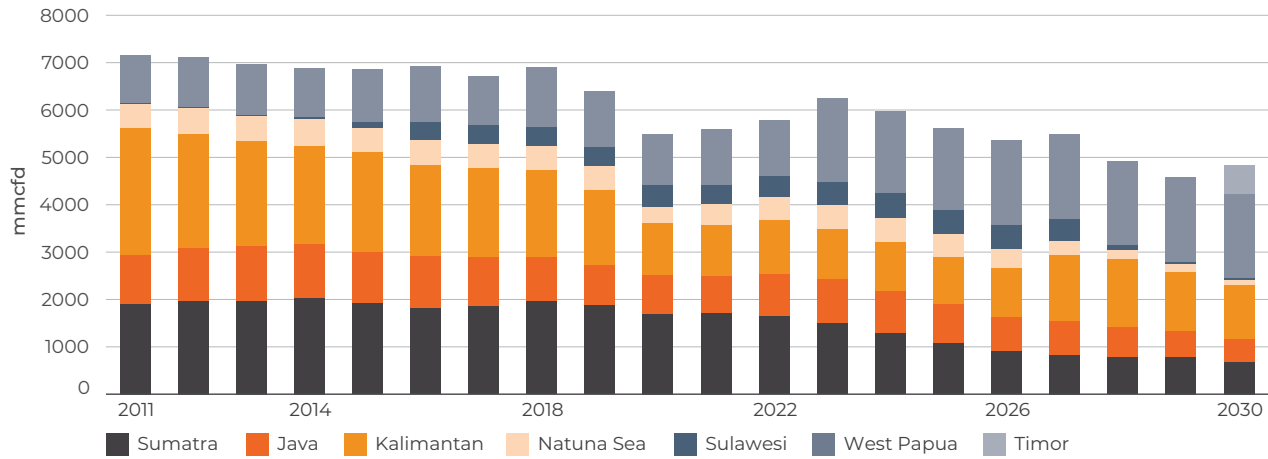
30. bp, *Statistical Review of World Energy 2021, 70th edition*, *Statistical Review of World Energy – all data, 1965-2020 – xlsx download*, "Oil Proven Reserves – Barrels" and Gas Proven Reserves – Bcf" worksheets. *Statistical Review of World Energy – all data, 1965-2020*.

31. bp, *Statistical Review of World Energy 2021, 70th edition*, *Statistical Review of World Energy – all data, 1965-2020 – xlsx download*, "Oil Proven Reserves – Barrels" and Gas Proven Reserves – Bcf" worksheets. *Statistical Review of World Energy – all data, 1965-2020*.

32. bp, *Statistical Review of World Energy 2021, 70th edition*, *Statistical Review of World Energy – all data, 1965-2020 – xlsx download*, "Gas Proved Reserves" worksheet. *Statistical Review of World Energy – all data, 1965-2020*.

3. Industry Overview Cont.

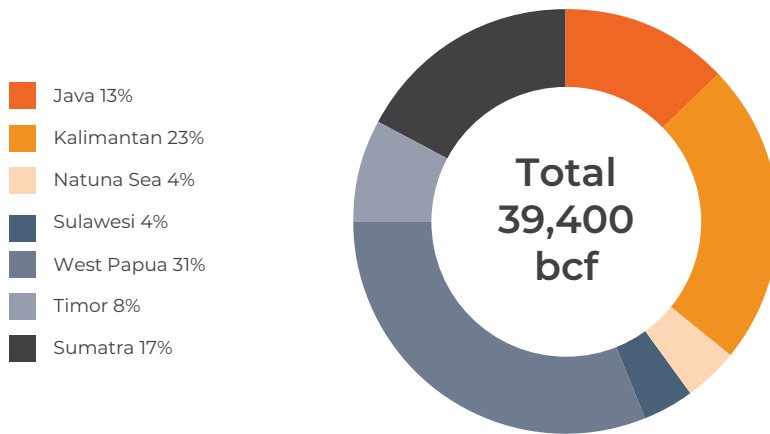
Figure 3.4.1: Indonesian Gas Production by Region 2001-2030³³



Source: Wood Mackenzie

Figure 3.4.2 below shows the estimated remaining gas reserves by region in Indonesia. It is estimated that approximately 60% of the estimated gas reserves shown in the graph below are held in five PSCs, namely Cepu (ExxonMobil), Massela (Inpex), IDD (Eni S.p.A) Rokan (Pertamina) and Tangguh (BP).

Figure 3.4.2: Indonesian Gas Reserves by Region³⁴



Source: Wood Mackenzie

33. Indonesia Upstream Summary, Country Report, Wood Mackenzie, August 2021, Page 28.

34. Indonesia Upstream Summary, Country Report, Wood Mackenzie, August 2021, Page 19.

3.5 Market Opportunity

Conrad's operations in the Mako Gas Field in Duyung principally target the production and sale of gas into the Singapore gas market (with the possibility of a DMO pursuant to the terms of the Duyung PSC, see Section 3.7 for further information). Conrad's aims to target production for the Indonesian domestic gas market from the OM PSC and Aceh JSAs, given their locations.

Singapore

Conrad expects Singapore to be the major market for natural gas produced from the Mako Gas Field due to its ability to supply Singapore via the WNTS (refer also to Section 3.2(c) relating to DMO).

In 2020, Singapore consumed 1.22 Bcf per day of natural gas³⁵, all of which was imported. Approximately 85% of natural gas consumed in Singapore is used in power generation, and natural gas has accounted for approximately 95% of power generation in Singapore since 2014.³⁶ Natural gas consumption in Singapore fell by approximately 2% in 2020 as a result of lower economic growth, but between 2010 and 2020 grew at a CAGR of 3.3%.³⁷ Approximately 45% of Singapore's natural gas imports in 2020 were supplied by liquefied natural gas.³⁸ The rest was supplied by 3 pipelines: one from Sumatra, the WNTS from the West Natuna Sea, and one from the Malaysian peninsula.³⁹

Indonesia

The Government of Indonesia is currently prioritising domestic market allocation of natural gas under Indonesian PSCs in anticipation of growing domestic demand and has set a long-term plan of achieving gas production of 12 Bcf from Indonesian assets by 2030 – almost double the total gas production in 2021.⁴⁰

Based on current SKK Migas projections⁴¹, domestic gas demand is expected to grow from 2021 to 2030 by almost 36%, comprised of increases in gas utilisation of 45% for industrial use, 68% for petrochemicals and 12% for power generation.

Currently, approximately 65% of Indonesian electrical power is produced via coal-fired generating capacity – a cheap, locally produced but carbon intensive energy source. There may be further scope for growth for domestic demand for natural gas if Indonesia shifts from coal powered energy generation to natural gas.⁴² Recently, Indonesia has set a net zero emissions target for 2060.⁴³

A current lack of integrated gas gathering and distribution infrastructure, which is exacerbated by the island geography of Indonesia, has historically restricted the growth of demand in natural gas in the country. The Government of Indonesia has taken steps to improve infrastructure, with four gas pipelines currently under construction or planning in Sumatra and Java that will aim to fully integrate the gas supply network from Arun in Aceh (North East Sumatra) to Surabaya (East Java) (see Figure 3.5.2).⁴⁴ Such developments will help to commercialise the natural gas in certain PSCs in isolated locations which may not have otherwise been able to deliver gas to markets due to the lack of infrastructure.

35. bp, Statistical Review of World Energy 2021, 70th edition, Statistical Review of World Energy – all data, 1965-2020 – xlsx download, "Gas Consumption– Bcf" worksheet. Statistical Review of World Energy – all data, 1965-2020.

36. Energy Market Authority of Singapore, Singapore Energy Statistics 2021, Chapter 2, Fuel Mix for Electricity Generation <<https://www.ema.gov.sg/singapore-energy-statistics/>>.

37. bp, Statistical Review of World Energy 2021, 70th edition, Statistical Review of World Energy – all data, 1965-2020 – xlsx download, "Gas Consumption– Bcf" worksheet. Statistical Review of World Energy – all data, 1965-2020.

38. bp, Statistical Review of World Energy 2021, 70th edition, Statistical Review of World Energy – all data, 1965-2020 – xlsx download, calculated from "Gas Consumption – Bcm" and "LNG Imports" worksheets. Statistical Review of World Energy – all data, 1965-2020.

39. US Energy Information Administration, International, *Singapore Overview*, Natural Gas Section <<https://www.eia.gov/international/analysis/country/SGP>>.

40. SKK Migas Presentation entitled Indonesia Gas Development, Muhammad Anas Pradipta, November 2021, Slides 7 & 8.

41. SKK Migas Presentation entitled Indonesia Gas Development, Muhammad Anas Pradipta, November 2021, Slides 7 & 8.

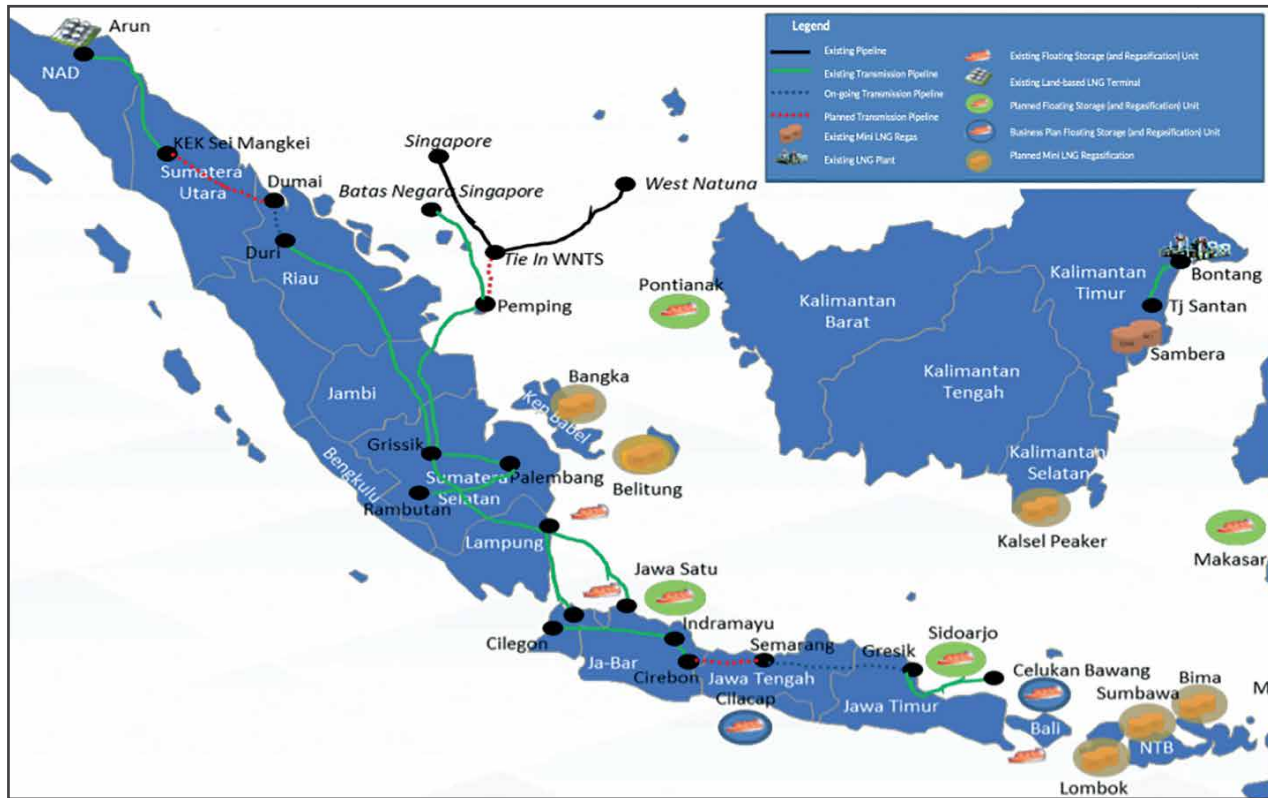
42. Indonesia Long-Term Strategy for Low Carbon and Climate Resilience 2050, Ministry of Environment and Forestry, Section 4.2.2.2 Projection of Energy Sector Development, Page 56 et seq. www.unfccc.int/sites/default/files/resource/Indonesia_LTS-LCCR_2021.pdf.

43. Indonesia Long-Term Strategy for Low Carbon and Climate Resilience 2050, Ministry of Environment and Forestry, Preface by Minister of Environment and Forestry, Page 7. www.unfccc.int/sites/default/files/resource/Indonesia_LTS-LCCR_2021.pdf.

44. SKK Migas Presentation entitled Indonesia Gas Development, Muhammad Anas Pradipta, November 2021, Slide 12.

3. Industry Overview Cont.

Figure 3.5.2: Indonesian Natural Gas Pipeline Infrastructure⁴⁵



3.6 Industry Challenges

There is a strong global effort to decarbonise the world’s energy sector with a particular focus given to the adoption of renewable energy sources.⁴⁶ While natural gas has the lowest carbon dioxide emissions per million Btu of energy from any other fossil fuels when burned⁴⁷, it still contributes carbon emissions when utilised to generate energy. However, natural gas is acknowledged by many, as an essential component of the energy transition process into renewables⁴⁸ – especially in regions, such as Southeast Asia, where the current energy consumption is weighted towards the use of cheap, locally sourced, carbon-intensive coal or diesel.

Offshore gas production is typically capital-intensive and requires financing. Due to evolving social, political and market expectations in connection with climate change, recently certain financial institutions, institutional investors and other sources of capital have begun to limit or eliminate their investment in oil and gas activities citing climate change concerns.⁴⁹ Accordingly, funding for upstream projects is becoming less readily available for businesses in the oil and gas industry and is potentially becoming more expensive.⁵⁰

45. SKK Migas Presentation entitled Indonesia Gas Development, Muhammad Anas Pradipta, November 2021, Slide 12.
 46. Energy Transition Outlook, DNV, 2021 Highlights – Core Insights, Page 4. www.download.dnv.com/eto-2021-download?_ga=2.108010059.897666986.1651746903-780327990.1651746903.
 47. US Energy Information Administration, *Frequently Asked Questions (FAQs)* <<https://www.eia.gov/tools/faqs/faq.php?id=73&t=11>>.
 48. US Energy Information Administration, *The Role of Gas in Today’s Energy Transitions*, World Energy Outlook Special Report, July 2019. Page 7. www.iea.blob.core.windows.net/assets/cc35f20f-7a94-44dc-a750-41c117517e93/TheRoleofGas.pdf.
 49. Bloomberg Quint, Tim Quinson, *Cost of Capital Spikes for Fossil-Fuel Producers* <<https://www.bloomberquint.com/business/cost-of-capital-widens-for-fossil-fuel-producers-green-insight/>>.
 50. Goldman Sachs, *Carbonomics – The green engine of economic recovery*, Exhibit 15, Page 11 <<https://www.goldmansachs.com/insights/pages/gs-research/carbonomics-green-engine-of-economic-recovery-f/report.pdf>>.

The industry generally is also exposed to a number of climate change related challenges and risks, including potential changes in demand for products due to regulatory and technological changes, (see Section 5.1(u)).

Other common challenges to the Indonesian upstream petroleum industry include:

- the slow pace of government processes (caused by a regulatory framework that involves a number of ministries and government bodies);
- compared with other petroleum producing jurisdictions in Australasia, fiscal terms that could be considered less advantageous;⁵¹ and
- mature basins.

The Government of Indonesia has recognised these issues and over the last several years, has taken steps to simplify its bureaucracy, improve the fiscal terms and provide incentives for further exploration and development activities.⁵²

3.7 Regulatory Framework

This section 3.7 is a summary of the Indonesian oil and gas regime and should be read in conjunction with the Legal Opinion on Conrad's assets and activities on each of Conrad's PSCs in Annexure F.

Under the Indonesian Constitution, all oil and gas resources in Indonesia belong to the State of Indonesia and should be used for the greatest benefit and welfare of the people of Indonesia. The regulatory framework is divided into upstream and downstream sectors:

- **Upstream oil and gas industry:** relates to the exploration and production of crude oil and natural gas under a PSC with the Government of Indonesia.
- **Downstream oil and gas industry:** relates to processing, transportation, storage and retail sales based on a business permit issued by MEMR.

(a) Relevant Upstream Regulators

Upstream petroleum activities are conducted in working areas determined by MEMR. Companies may conduct petroleum operations in working areas after entering into a PSC with SKK Migas. SKK Migas is responsible for the management and supervision of upstream oil and gas business activities and has the authority to deal with the implementation of PSCs.

(b) Production Sharing Contracts

As noted above, upstream petroleum activities are conducted in working areas determined and awarded by MEMR. Working areas are granted based on either a competitive open tender process or a direct offer, as regulated under MEMR Regulation 35/2021.

Competitive tender processes for a working area are initiated by MEMR although direct offers can be initiated by a company's written proposal for a working area that has not been reserved for an open tender bidding process. If MEMR approves a proposal for a direct offer, the company must conduct a joint study, together with an Indonesian academic institute, to explore for potential oil and gas fields (**Joint Study**).

51. Wood Mackenzie, Indonesia Upstream Summary, February 2022. Slide 6, Government Share Chart (lower right inset).

52. PricewaterhouseCoopers, *Oil & Gas in Indonesia, Investment and Taxation Guide, 11th Edition*, Pages 8 and 17 <<https://www.pwc.com/id/en/energy-utilities-mining/assets/oil-and-gas/oil-and-gas-guide-2020.pdf>>.Page 8.

3. Industry Overview Cont.

A PSC is entered into between the Government of Indonesia and a private sector participant(s) (the **Contractor**) and outlines terms under which the Contractor is required to carry out oil and gas exploration and production activities, in a defined working area, for a defined period of up to 30 years which may be extended by MEMR. The term of a PSC is generally divided into exploration periods and a production period. The terms of a PSC will typically include the:

- Geographical limits of the working area(s) assigned;
- Duration of the PSC;
- Obligations of the Contractor including the minimum work commitment under an exploration work program during the exploration phase;
- Obligations of the Government of Indonesia;
- Fiscal terms (including the tax regime) of the PSC; and
- Domestic market obligations and pricing.

Under a PSC, the Contractor is required to explore the area covered by the PSC and establish whether there is a commercial quantity of petroleum within a set exploration period, which is typically six years from the grant of the PSC. During the exploration period, the Contractor must fulfil firm commitments to undertake a specified exploration program. If the Contractor is unable to make a commercial discovery in this exploration period, it can seek an extension from MEMR for a maximum period of four years during which time, if the Contractor is unable to make a commercial discovery, it is required to relinquish the PSC.

Where commercial discoveries of petroleum or hydrocarbons are made, the Contractor is then required to establish and implement a POD (see Section 3.7(e) for a brief summary of the POD process) which is required to be approved by SKK Migas and MEMR. Notwithstanding a commercial discovery, the Contractor is expected to maintain reasonable exploration efforts over the PSC area.

There are two main types of PSCs awarded by the Government of Indonesia which operate under different fiscal regimes:

- (i) **Cost Recovery PSC:** Under a cost recovery PSC, the Contractor initially bears all exploration and development costs. If commercial production is successful, the Contractor recovers its development and production costs from the oil and gas produced after “first tranche petroleum”, which is the minimum portion of oil or gas that the parties will take prior to any deductions.
- (ii) **Gross Split PSC:** Under a gross split PSC, the cost recovery mechanism is removed, and the Government of Indonesia and Contractor split gross production revenues before tax. The Contractor bears all costs through to first production.

The share of production under a gross split PSC is determined by SKK Migas, which starts off at the current mandatory base production split as follows:

Figure 3.7.1: Base Production Split Under Gross Split PSCs

Type	Government of Indonesia	Contractor
Oil	57%	43%
Gas	52%	48%

The base production split may be adjusted by variable and progressive components which may result in an increase in the share of production for the Contractor under the PSC. Specific Variable and Progressive Components are determined by MEMR during the POD approval process.

Variable components include elements such as field specific factors (including the location, depth and type of reservoir) as well as gas composition (carbon dioxide and other inerts), reservoir recovery technique (conventional/unconventional) and the fraction of domestic expenditure incurred in the development. For example, Contractors may be eligible to a 3% increase in the production split if they reach a 50% threshold of use of goods and services, including employees, contractors and materials, from local suppliers.

Progressive components include elements such as gas sales price and cumulative gas production.

These variable and progressive components are designed, among other things, to compensate the Contractor for additional costs and risks when dealing with more challenging developments and provide incentives for local content use and development of smaller sized or technically difficult fields.

(c) Joint Study Areas (JSA)

In Indonesia, MEMR permits private sector participants to access and study all available MEMR data of a particular unlicensed working area with a view to ultimately submitting a bid for a PSC to explore, and potentially develop, those working area(s).

Private companies have the right to submit a proposal to the DGOG to undertake a joint study over a selected unlicensed area.

If DGOG approves a proposal from a company, the company will be appointed and assigned to conduct a “joint study” on the working area together with DGOG and an academic institute accredited or approved by DGOG to evaluate the potential oil and gas fields in the working area.

Such joint studies are typically conducted over an eight-month period, which can be extended by DGOG. Typically, joint studies will only involve geological and geophysical work, for example, field surveys, magnetic surveys, or the reprocessing of existing seismic lines and the company conducting the joint study is responsible for all of the costs. Once the joint study has been completed, the data collected must be delivered to DGOG.

At the conclusion of the joint studies and if approved by MEMR, MEMR may, at its discretion, then tender these JSA(s) for PSCs under the tender offer process. The timing and process for any such tender is within the discretion of, and managed by, MEMR and generally requires parties to make bids to be awarded a PSC for the working area(s). The company that conducts a joint study under the JSA has the right to match any bids in any such tender process.

(d) Duration and Extension of a PSC

PSCs are typically awarded for an initial duration of 30 years. PSCs terminate at the end of their term or earlier if certain milestones stipulated under the PSC are not achieved within a certain timeframe, for example:

- failing to conduct exploration firm commitments stipulated under the PSC including seismic surveys or drilling within a specified timeframe; or
- failing to discover commercial quantities of reserves in the working areas covered by the PSC following the end of the designated exploration period (initial six years of the PSC, which may be extended for another four years).

PSCs may be extended for up to 20 years for each extension. A request for an extension of a PSC may be submitted to MEMR between 10 years and 2 years prior to the expiry of the PSC, unless there is a natural gas sales/purchase contract in place for the PSC in which case, an extension may be requested earlier than 10 years prior to the expiry of the PSC. PT Pertamina (Persero), an Indonesian state-owned entity which engages in upstream and downstream energy and petrochemicals business activities, may also apply to MEMR to operate the expiring PSC upon its expiration solely or jointly with the existing contractor. If granted by MEMR, Pertamina’s right to take over the PSC will only be effective after the existing PSC expired.

3. Industry Overview Cont.

(e) Plan of Development

Where commercial quantities of petroleum are discovered, Contractors are required to prepare a POD that aims to evaluate, develop and commercialise these discoveries under the PSC. The POD process typically includes the following work:

- (i) Geological and reservoir engineering studies to support resource and reserve estimates and to estimate potential production rates;
- (ii) Engineering studies to determine the number and design of wells and facilities required for production of oil and gas; and
- (iii) Conducting an economic evaluation of the entire project to ensure profitability for both the Government of Indonesia and the Contractor.

The POD is developed in consultation with SKK Migas and the final POD is then subject to approval by SKK Migas and the MEMR. The POD is performed by the Contractor with each stage subject to approval by the technical teams of SKK Migas. The POD forms the basis for the execution of the projects under a PSC and its implementation is closely monitored by SKK Migas. Unless otherwise agreed with SKK Migas, Contractors must start implementing the main activities under the approved POD (e.g. drilling wells, construction of production facilities) within two years of the approval of the POD. The Contractor must also submit annual update/monitoring reports to SKK Migas in respect of activities conducted under the POD.

(f) Environmental and Government Permits

The conduct of any drilling or construction activities in Indonesia require certain environmental permits granted by the Government of Indonesia. To obtain such permits, a PSC operator is required to prepare an environmental impact assessment study called Analisis Manajemen Dampak Lingkungan (**AMDAL**), which may include the following obligations:

- conducting environmental management and monitoring;
- supporting and coordinating with government authorities on a review of the environment or local industries;
- carrying out activities to reduce waste or toxic levels;
- carrying out drilling activities in accordance with onshore and offshore safe drilling operations in Indonesia and general guidelines for the implementation of oil and gas drilling operations from SKK Migas;
- carrying out temporary well closure activities in accordance with prescribed regulations on onshore and offshore safe drilling operations in Indonesia;
- submitting reports on the implementation of obligations under the environmental permit in each semester to relevant authorities as set out in the environmental permit, including the Minister of Environment and Forestry; and
- obtaining permits for the waste dumping at sea, if required, and carrying out dumping at sea with conditions as set out therein.



4. Financial Information

4. Financial Information

4.1. Introduction

4.1.1. Financial Information Overview

The financial information in this Section includes:

- (a) **Statutory Historical Financial Information**, being the:
- Historical consolidated Statements of Profit or Loss and Other Comprehensive Income of Conrad for the years ended 31 December 2019, 31 December 2020 and 31 December 2021;
 - Historical consolidated Statements of Cashflows of Conrad for the years ended 31 December 2019, 31 December 2020 and 31 December 2021; and
 - Historical consolidated Statement of Financial Position of Conrad as at 31 December 2021.
- (b) **Pro Forma Historical Financial Information**, being the pro forma historical consolidated Statement of Financial Position of Conrad as at 31 December 2021.

The Historical Financial Information and the Pro Forma Historical Financial Information are collectively referred to as the Financial Information. The Historical Financial Information is statutory financial information that relates to financial information extracted from the audited general purpose financial statements of the Company.

No forecast financial information has been provided for the Company.

Also summarised in this Section are:

- the basis of preparation and presentation of the Financial Information (see Section 4.2);
- the pro forma adjustments to the historical statement of financial position as at 31 December 2021 and reconciliations to the historical Statement of Financial Position as at 31 December 2021 (see Section 4.3.5 to 4.3.12);
- Management's discussion and analysis in respect of the pro forma historical consolidated financial information (see Section 4.4); and
- details of the proposed dividend policy (see Section 4.5).

The Financial Information has been reviewed and reported on by Moore Australia Corporate Finance (WA) Pty Ltd, whose Independent Limited Assurance Report is contained in Annexure B. The Independent Limited Assurance Report has been prepared in accordance with the Australian Standard on Assurance Engagements ASAE 3450 *Assurance Engagement Involving Fundraising and/or Prospective Financial Information*. Investors should note the scope and limitations of the Independent Limited Assurance Report.

The information in this Section should also be read in conjunction with other information contained in this Prospectus including;

- (a) Management's discussion and analysis set out in this section;
- (b) The risk factors described in Section 5;
- (c) Significant accounting policies and critical areas of accounting judgements and estimates set out in Annexure A;
- (d) The Independent Limited Assurance Report on the historical and pro forma financial information set out in Annexure B; and
- (e) Other information contained in the Prospectus.

Investors should also note that historical results are not a guarantee of future performance.

All amounts disclosed in the tables are presented in American dollars ("US\$") unless otherwise stated.

4.1.2. Foreign Exchange Rates Applied to the Pro Forma Historical Financial Information

Conrad's functional and presentation currency is American dollars ("US\$").

For each table within the financial information section of this Prospectus, the relevant information has been stated in American dollars (US\$). Where some pro forma adjustments are expected to occur in Australian dollars (AU\$), we have translated these adjustments into US\$. The following conversion rates, based on the Reserve Bank of Australia's (RBA) published foreign exchange rate tables, have been used:

Foreign Currency Conversion Rates

Exchange rate	31 December 2021
Exchange rate used in translating the pro forma adjustments occurring in AU\$ to US\$	0.7256

4.1.3. Forecast Financial Information

There are significant uncertainties associated with forecasting future revenues and expenses of Conrad. Given uncertainty as to timing and outcome of Conrad's growth strategies and the nature of the industry in which Conrad operates, as well as uncertain macro market and economic conditions, Conrad's performance in any future period cannot be reliably estimated. Given this and after consideration of ASIC Regulatory Guide 170, the Directors do not believe they have a reasonable basis to reliably forecast future earnings and accordingly forecast results have not been included in the Prospectus.

4.2. Basis of Preparation and Presentation of the Financial Information

4.2.1. Overview

The Directors are responsible for the preparation and presentation of the Financial Information.

The Financial Information included in this Prospectus is intended to present potential investors with information to assist them in understanding the historical financial performance, cash flows and financial position of Conrad.

The Historical Financial Information has been prepared in accordance with all applicable International Financial Reporting Standards (**IFRS**), which collective term includes all applicable individual International Financial Reporting Standards, International Accounting Standards (**IAS**) and related Interpretations, promulgated by the International Accounting Standards Board (**IASB**). Compliance with IFRS has ensured compliance with Australian Accounting Standards.

The Company has applied all the new and revised IFRS which are effective for the Company's accounting period beginning on 1 January 2019 consistently throughout the years/period presented to the extent required or allowed by transitional provisions in the IFRS.

The impact of new and revised IFRS, which have been adopted during the years/period presented and effective as at the current date, to the results for each year/period presented is not significant.

4. Financial Information Cont.

The Pro Forma Historical Financial Information has been prepared in accordance with the recognition and measurement requirements of Australian Accounting Standards (AAS), other than that the Pro Forma Historical Consolidated Statement of Financial Position of Conrad includes certain adjustments which have been prepared in a manner consistent with AAS, which reflect the impact of certain transactions which are planned to or have taken place subsequent to 31 December 2021, as if they had occurred on or before 31 December 2021.

The Pro Forma Historical Consolidated Statement of Financial Position of Conrad does not reflect the actual statement of financial position of Conrad as at 31 December 2021. Conrad believes that it provides useful information as it illustrates the financial position of the Company as at 31 December 2021 on the basis that the proposed Capital Raising and other related pro forma transactions were completed as at that date.

The Financial Information is presented in an abbreviated form and does not include all of the disclosures, statements or comparative information required by AAS applicable to annual financial reports prepared in accordance with the Corporations Act.

Accounting policies have been consistently applied throughout the periods presented. Significant accounting policies of Conrad, relevant to the Financial Information, are set out in Annexure A.

4.2.2. Preparation of Historical and Pro Forma Financial Information

The Historical Financial Information for Conrad has been derived from the audited general purpose financial reports of Conrad for the years ended 31 December 2019, 31 December 2020 and 31 December 2021.

The financial reports of Conrad for the years ended 31 December 2019, 31 December 2020 and 31 December 2021 were audited by Moore Stephens LLP. Moore Stephens LLP issued unmodified audit opinions for each of the years specified. For each of the years and periods noted above Moore Stephens LLP raised an emphasis of matter in respect of material uncertainty related to going concern.

The Pro Forma Historical Financial Information has been prepared for the purposes of inclusion in this Prospectus. The Pro Forma Historical Financial Information has been derived from the Historical Statement of Financial Position as at 31 December 2021, adjusted to reflect proposed transactions as set out in Section 4.3.5.

The Pro forma Historical Financial Information presented in this Prospectus has been reviewed by Moore Australia Corporate Finance (WA) Pty Ltd, whose Independent Limited Assurance Report is contained in Annexure B. Investors should note the scope and limitations of that report.

4.3. Historical Financial Information

4.3.1. Historical Consolidated Statements of Profit or Loss and Other Comprehensive Income

The table below sets out the Historical Consolidated Statements of Profit or Loss and Other Comprehensive Income for the years ended 31 December 2019, 31 December 2020 and 31 December 2021.

Historical consolidated Statements of Profit or Loss and Other Comprehensive Income

	Note	Year ended 31 December 2019 US\$	Year ended 31 December 2020 US\$	Year ended 31 December 2021 US\$
Revenue	i	496,069	202,318	189,488
Cost of services	i	(1,645,808)	(1,412,815)	(912,665)
Gross loss		(1,149,739)	(1,210,497)	(723,177)
Expenses				
Employee benefit expenses		(1,777,091)	(2,029,300)	(2,334,740)
Travelling		(257,742)	(94,097)	(34,540)
Other operating expenses		(1,438,691)	(520,573)	(420,390)
Depreciation and impairment		(66,655)	(159,944)	(80,471)
Foreign exchange (loss)/gain		(56,709)	(130,247)	(14,207)
Legal and professional fees		(249,460)	(83,018)	(396,998)
Issue of shares to employees	ii	–	–	(315,000)
Financing expense	iii	(105,315)	(28,442)	(1,611,434)
Exploration and evaluation assets write off		–	–	(4,065,219)
Fair value loss on revaluation of financial assets at fair value through the profit or loss		(377,335)	(959,221)	(91,242)
Fair value expense on revaluation of warrants	iv	–	–	(1,153,847)
Loss on partial disposal of production sharing contract interest in subsidiary	v	–	(3,701,568)	–
Total expenses		(4,328,998)	(7,706,410)	(10,518,088)
Other income				
Gain on disposal of production sharing contract interest in subsidiary	v	4,079,475	–	–
Gain on allocation of evaluation and exploration assets	v	–	1,102,910	–
Other income		1,575	5,966	–
Financing income		118,115	5,094	1,227
Net Loss before tax		(1,279,572)	(7,802,937)	(11,240,038)
Income tax		–	–	–
Loss after income tax		(1,279,572)	(7,802,937)	(11,240,038)
Other comprehensive income, net of income tax		–	–	–
Total Comprehensive Loss for the Year		(1,279,572)	(7,802,937)	(11,240,038)

Notes:

- Revenue is generated from the provision of consulting services in Indonesia. The fluctuation/decline in cost of services during the period presented is primarily driven by activity and the appraisal drilling operations conducted in 2019 and early 2020 as compared to the more recent period where there were no drilling operations. Similarly, other operating expenses have declined across the periods for the same reason.
- During the year ended 31 December 2021, the company incurred share-based payment expenses for the issue of shares to employees as part of a legacy employee share plan.
- Financing expense for the year ended 31 December 2021 includes an amount of \$1,441,096 attributable to the cost of warrants issued in respect of loans received from shareholders during that year.
- The Loan Warrants issued in respect of loans received from shareholders during the year ended 31 December 2021 and classified as liabilities were revalued upwards as at 31 December 2021 resulting in a fair value expense in the year ended 31 December 2021.
- The company incurred gains and losses in relation to the partial disposal of its interest in the Production Sharing Contract arrangement in respect of exploration and evaluation assets.

4. Financial Information Cont.

4.3.2. Historical Consolidated Statements of Cash Flows

The table below sets out the Historical Consolidated Statements of Cash Flows for the years ended 31 December 2019, 31 December 2020 and 31 December 2021.

Historical Consolidated Statements of Cash Flows

	Year ended 31 December 2019 US\$	Year ended 31 December 2020 US\$	Year ended 31 December 2021 US\$
Cash Flows from Operating activities			
Loss	(1,279,572)	(7,802,937)	(11,240,038)
Add (deduct) items not involving cash:			
Interest income	(118,115)	(5,094)	(1,227)
Interest expense	105,315	28,442	1,611,434
Depreciation and impairment	66,655	159,944	80,471
Loss on write off of plant & equipment	–	17,266	2,702
Exploration and evaluation assets write off	–	–	4,065,219
Share based payments	–	–	315,000
Rent concession	–	(4,332)	–
Gain on allocation of evaluation and exploration assets	–	(1,102,910)	–
Loss/(gain) on partial disposal of production sharing contract interest in subsidiary	(4,079,475)	3,701,568	–
Fair value loss on revaluation of financial assets	377,335	959,221	91,242
Fair value movement on warrants issued	–	–	1,153,847
Unrealised foreign exchange loss	50,506	20,927	22,099
Operating cash flows before working capital changes	(4,877,351)	(4,027,905)	(3,899,251)
Decrease/(increase) in trade and other receivables	(14,871,288)	(3,599,175)	18,771,658
Decrease/(increase) in prepayments	(40,830)	40,410	8,455
(Decrease)/increase in trade and other payables	12,129,706	(1,922,017)	(18,688,161)
Cash used in operations	(7,659,763)	(9,508,687)	(3,807,299)
Interest income	118,115	5,094	1,227
Net cash used in operating activities	(7,541,648)	(9,503,593)	(3,806,072)
Cash Flows from Investing activities			
Purchase of plant and equipment	(111,917)	(8,874)	(1,272)
Increase in exploration and evaluation assets	(2,317,373)	(203,158)	(1,055,174)
Net cash consideration received from partial disposal of production sharing contract interest in subsidiary	2,414,475	–	–
Net cash used in investing activities	(14,815)	(212,032)	(1,056,446)
Cash Flows from Financing activities			
Increase in shareholder loan	85,401	–	5,000,000
Proceeds from issue of ordinary shares	20,451,840	–	–
Payment for share buy-back	(2,104,115)	–	–
Repayment of lease liabilities	(20,902)	(54,786)	(65,275)
Proceeds from short term borrowings	400,000	–	–
Repayment of short-term borrowings	(400,000)	–	–
Repayment of short-term borrowings to shareholders	(36,876)	–	–
Payment of interest	–	(27,238)	(22,393)
Net cash provided by/(used in) financing activities	18,375,348	(82,024)	4,912,332
Increase/(decrease) in cash and cash equivalents	10,818,885	(9,797,649)	49,814
Cash and cash equivalents, beginning of year	425,683	11,214,965	1,404,273
Foreign exchange translation adjustments	(29,603)	(13,043)	(11,751)
Cash and cash equivalents, end of year	11,214,965	1,404,273	1,442,336

4.3.3. Historical Consolidated Statement of Financial Position

The table below sets out the Historical Consolidated Statement of Financial Position of Conrad as at 31 December 2021.

Historical Consolidated Statement of Financial Position

	31 December 2021 US\$
Assets	
Current assets	
Cash and cash equivalents	1,442,336
Trade and other receivables	59,764
Prepayments and deposits paid	62,035
Investment in quoted securities at fair value through the profit or loss	237,202
Total current assets	1,801,337
Non-current assets	
Exploration and evaluation assets	24,421,450
Right of use assets	162,380
Plant and equipment	3,070
Other assets	221,723
Total non-current assets	24,808,623
Total assets	26,609,960
Liabilities	
Current liabilities	
Trade and other payables	500,367
Amount due to shareholders	4,189,041
Warrants due to shareholders	3,553,847
Lease liabilities	76,505
Total current liabilities	8,319,760
Non-current liabilities	
Lease liabilities	111,928
Total non-current liabilities	111,928
Total liabilities	8,431,688
Net assets	18,178,272
Equity	
Issued share capital	34,629,209
Accumulated losses	(16,450,937)
Total equity	18,178,272

4. Financial Information Cont.

4.3.4. Pro Forma Historical Consolidated Statement of Financial Position

The table below set out the Pro Forma Historical Consolidated Statement of Financial Position of the Company as at 31 December 2021. The Pro Forma Historical Consolidated Statement of Financial Position is provided for illustrative purposes only and is not represented as being necessarily indicative of the Company's view of its future financial position.

	Ref	Audited 31 December 2021 US\$	Pro forma Adjustments (Before accepting Oversub- scriptions) US\$	Pro forma Adjustments (Assuming all Oversub- scriptions are accepted) US\$	Unaudited Pro forma (Before accepting Oversub- scriptions) US\$	Unaudited Pro forma (Assuming all Oversub- scriptions are accepted) US\$
Assets						
Current assets						
Cash and cash equivalents	4.3.6	1,442,336	26,423,260	33,316,460	27,865,596	34,758,796
Trade and other receivables		59,764	–	–	59,764	59,764
Prepayments and deposits		62,035	–	–	62,035	62,035
Investment in quoted shares		237,202	–	–	237,202	237,202
Total current assets		1,801,337			28,224,597	35,117,797
Non-current assets						
Exploration and evaluation assets	4.3.7	24,421,450	–	–	24,421,450	24,421,450
Right of use assets		162,380			162,380	162,380
Plant and equipment		3,070			3,070	3,070
Other receivables		221,723			221,723	221,723
Total non-current assets		24,808,623			24,808,623	24,808,623
Total assets		26,609,960			53,033,220	59,926,420
Liabilities						
Current liabilities						
Trade and other payables		500,367	–	–	500,367	500,367
Amount due to shareholders	4.3.8	4,189,041	(4,189,041)	(4,189,041)	–	–
Warrants due to shareholders		3,553,847	(3,553,847)	(3,553,847)	–	–
Lease liabilities		76,505	–	–	76,505	76,505
Total current liabilities		8,319,760			576,872	576,872
Non-current liabilities						
Lease liabilities		111,928	–	–	111,928	111,928
Total non-current liabilities		111,928			111,928	111,928
Total liabilities		8,431,688			688,800	688,800
Net assets		18,178,272			52,344,420	59,237,620
Shareholders' equity						
Share capital		34,629,209	37,539,400	40,986,000	72,168,609	79,061,809
Reserves		–	4,073,847	4,073,847	4,073,847	4,073,847
Accumulated losses		(16,450,937)	(7,447,099)	(7,447,099)	(23,898,036)	(23,898,036)
Total shareholders' equity		18,178,272			52,344,420	59,237,620

4.3.5. Notes on the Pro Forma Historical Consolidated Statement of Financial Position

The Pro forma Historical Consolidated Statement of Financial Position of Conrad as at 31 December 2021 is based on the Historical Consolidated Statement of Financial Position of Conrad as at 31 December 2021 incorporating the following adjustments, which have either occurred subsequent to 31 December 2021 or will occur prior to listing on ASX:

- The 1:8 split of the Company's capital on 8 April 2022 on the basis that every 1 ordinary share and warrant be split into 8 shares and warrants, respectively. The pro forma adjustments below are stated on a post equity split basis unless otherwise stated.
- The raising of US\$5 million via a Simple Agreement for Future Equity (**SAFE**) from shareholders which mandatorily converts into ordinary shares of the Company with a conversion price at a 10% discount to the Offer Price of AU\$1.35 (capped at an equivalent of US\$0.81 (AU\$1.12) per share). On conversion the shareholder also receives one SAFE Warrant for every two shares into which the SAFE converts, with an exercise price equal to 150% of the Conversion Price and a two-year exercise period.
- The conversion of the SAFE into 6,153,863 ordinary shares in the Company using a conversion price of US\$0.81 (AU\$1.12), and the expensing of this discount valued at US\$1.52 million to accumulated losses as a financing expense;
- The issue of 3,076,942 warrants attached to the SAFE on conversion to ordinary shares, valued at a total of US\$0.52 million and expensed to accumulated losses;
- The repayment of the shareholder loan of US\$5 million plus associated interest of US\$0.3 million out of cash, the transfer of associated 846,154 Loan Warrants (on a pre warrant split basis) with a value of US\$3.553 million out of the warrant liability to a Share Based Payments Reserve account in equity and the expensing to retained earnings of the unamortised portion of the expense attributed to these warrants of US\$1.084 million;
- The Public Offer of between A\$45 million (US\$33 million), being 30,821,917 shares at A\$1.46 each (assuming that no Shares are issued pursuant to the Oversubscriptions) and A\$55 million (US\$40 million), being 37,671,232 shares at A\$1.46 per share (assuming the maximum number of Shares are issued pursuant to the Oversubscriptions).
- Direct expenses of the Public Offer totaling A\$2.25million (US\$1.63 million) (assuming that no Shares are issued pursuant to the Oversubscriptions) and A\$2.75 million (US\$2.0 million) (assuming the maximum number of Shares are issued pursuant to the Oversubscriptions), which have been deducted from cash and debited to share capital;
- The payment out of cash of estimated other costs of the Offer of A\$0.35 million (US\$0.25 million) that have not been paid subsequent to 31 December 2021 which have been debited to accumulated losses; and
- Estimated cash spent on operating activities between 31 December 2021 and 30 June 2022 of US\$4.1 million, which has been allocated to accumulated losses.

In preparing the pro forma historical consolidated statement of financial position, we have assumed that the 846,154 Loan Warrants attached to the shareholder loan provided during the year ended 31 December 2021 are not exercised upon listing of Conrad on ASX, despite having an exercise price at a minimum 20% discount to the Offer Price, as the Loan Warrant holder has no obligation at that time to exercise their Loan Warrants and convert them to ordinary shares. If all of these Loan Warrants were to be exercised, the Company would receive cash proceeds from the issue of shares of an estimated US\$5.7 million (assuming an Offer Price of AU\$1.46 per share and the proposed share split of every 1 Loan Warrant into 8 warrants). This adjustment would have the impact of increasing net assets by up to approximately US\$5.7 million.

4. Financial Information Cont.

4.3.6. Pro Forma Cash Reconciliation

The table below details the reconciliation of the pro forma cash balance of Conrad as 31 December 2021, reflecting the actual cash at bank at that date and reflecting the impact of the pro forma adjustments as set out in Section 4.3.5:

	Before accepting Over- subscriptions (US\$)	Assuming all Over- subscriptions are accepted (US\$)
Conrad cash at 31 December 2021 (audited)	1,442,336	1,442,336
Proceeds from the SAFE	5,000,000	5,000,000
Proceeds of the Offer	32,652,000	39,908,000
Direct cost of capital raising	(1,632,600)	(1,995,400)
Repayment of shareholders loan plus interest	(5,273,973)	(5,273,973)
Cash spent on operating activities subsequent to 31 December 2021	(4,070,000)	(4,070,000)
Costs of the Offer not yet paid subsequent to 31 December 2021	(252,167)	(252,167)
Pro forma cash balance	27,865,596	34,758,796

4.3.7. Pro forma Exploration and Evaluation Assets

The table below details the reconciliation of the pro forma exploration and evaluation assets balance of Conrad as at 31 December 2021, reflecting the actual balance at that date and reflecting the impact of the pro forma adjustments as set out in Section 4.3.5:

	Before accepting Over- subscriptions (US\$)	Assuming all Over- subscriptions are accepted (US\$)
Conrad cost as at 31 December 2021 (audited)	24,421,450	24,421,450
Pro forma exploration and evaluation assets balance	24,421,450	24,421,450

4.3.8. Pro forma Amounts Due to shareholders

The table below details the reconciliation of the pro forma balance due to shareholders of Conrad as at 31 December 2021, reflecting the actual amounts due to shareholders at that date and reflecting the impact of the pro forma adjustments as set out in Section 4.3.5:

	Ref	Before accepting Over- subscriptions (US\$)	Assuming all Over- subscriptions are accepted (US\$)
Conrad as at 31 December 2021 (audited)	i	4,189,041	4,189,041
Issue of SAFE		5,000,000	5,000,000
Repayment of shareholders loans plus interest in cash		(5,273,973)	(5,273,973)
Conversion of SAFE to ordinary shares on Completion		(6,520,000)	(6,520,000)
Finance cost expensed to P&L		2,604,932	2,604,932
Pro forma amounts due to shareholders balance		-	-

i. Conrad's amounts owed to shareholders balance as at 31 December 2021 comprised:

	US\$
Shareholder loan ¹	5,000,000
Interest due on shareholders loan	273,973
Prepaid finance expense in relation to attached Loan Warrants ²	(1,084,932)
Amounts owed to shareholders as at 31 December 2021	4,189,041

Notes:

1. The shareholder loan is non-trade in nature, unsecured, attracts a fixed interest rate at 10% per annum, and is repayable within 12 months.
2. During the financial period ended 31 December 2021, in relation to the shareholders' loan, the Company issued 845,154 Loan Warrants to its shareholders to be exercisable any time within the five-year period from date of issue in June 2021. The cost of debt relating to the Loan Warrants is amortised over the term of the shareholders' loan of one year.

4.3.9. Pro forma Warrants Due to shareholders

The table below details the reconciliation of the pro forma balance of warrants due to shareholders of Conrad as at 31 December 2021, reflecting the actual amounts due to shareholders at that date and reflecting the impact of the pro forma adjustments as set out in Section 4.3.5:

	Ref	Before accepting Over- subscriptions (US\$)	Assuming all Over- subscriptions are accepted (US\$)
Conrad as at 31 December 2021 (audited)	i	3,553,847	3,553,847
SAFE Warrants		520,000	520,000
Transfer of Loan Warrants to Reserves on repayment of shareholder loans		(3,553,847)	(3,553,847)
SAFE Warrants issued on conversion of SAFE to ordinary shares		(520,000)	(520,000)
Pro forma amounts due to shareholders balance		-	-

During the financial period ended 31 December 2021, the Company issued 845,154 Loan Warrants (6,769,232 Loan Warrants on a post warrant split basis) to its shareholders as an attachment to the shareholders loans noted in Section 4.3.8. The Loan Warrants are exercisable any time within the five-year period from date of issue in June 2021. The Loan Warrants have been fair valued using a Binomial option pricing methodology and included as a liability as at 31 December 2021.

Subsequent to 31 December 2021, the company issued US\$5 million of SAFE with 3,076,942 attached SAFE Warrants with an exercise price of 150% of the Conversion Price and a two-year term. The fair value of these SAFE Warrants has been valued at US\$520,000 and expensed to the P&L on conversion at Completion.

4. Financial Information Cont.

4.3.10. Pro Forma Share Capital Reconciliation

The table below details the reconciliation of the pro forma share capital balance of Conrad as at 31 December 2021, reflecting the actual share capital balance at that date and reflecting the impact of the pro forma adjustments as set out in Section 4.3.5:

	Before accepting Oversubscriptions		Assuming all Oversubscriptions are accepted	
	# of shares	US\$	# of shares	US\$
Ordinary issued and paid up share capital				
Actual balance as at 31 December 2021 (audited)	15,302,901	34,629,209	15,302,901	34,629,209
Share split on a 1 for 8 basis	122,423,208	–	122,423,208	–
Shares on conversion of SAFE at Completion	6,153,863	6,520,000	6,153,863	6,520,000
Shares on issue post share split	128,577,071	41,149,209	128,577,071	41,149,209
Shares issued under the Offer	30,821,917	32,652,000	37,671,232	39,908,000
Transaction costs associated with the Offer	–	(1,632,600)	–	(1,995,400)
Pro forma share capital balance	159,398,988	72,168,609	166,248,303	79,061,809

4.3.11. Pro Forma Reserves Reconciliation

The table below details the reconciliation of the pro forma reserves balance of Conrad as at 31 December 2021, reflecting the actual reserves balance at that date and reflecting the impact of the pro forma adjustments as set out in Section 4.3.5:

	Before accepting Oversubscriptions		Assuming all Oversubscriptions are accepted	
	# of warrants	US\$	# of warrants	US\$
Ordinary issued and paid up share warrants				
Actual Balance as at 31 December 2021 ¹ (audited)	846,154	–	846,154	–
Value transferred from Warrant liability on Completion ¹	–	3,553,847	–	3,553,847
Loan Warrant split on a 1 for 8 basis	6,769,232	–	6,769,232	–
SAFE Warrants issued on conversion of SAFE ²	3,076,942	520,000	3,076,942	520,000
Pro forma warrants balance	9,846,174	4,073,847	9,846,174	4,073,847

Notes:

- The Loan Warrants issued to shareholders on repayment of the shareholder loan have an exercise price of the lower of US\$0.81 and a 10% discount to the Offer Price, with a five-year term which expires on 14 June 2026. The value of these Loan Warrants has been reclassified from a liability to equity on Completion.
- The SAFE raised subsequent to 31 December 2021 has 3,076,942, on a post 1 for 8 split basis, SAFE Warrants attached. These SAFE Warrants have an exercise price of 150% of the Conversion Price (as defined in Section 6.15) and a two-year term.

In addition to the warrants noted in the table above, the Company also intends to issue the following:

- 3,844,616 Share Rights under the New Incentive Plan, that vest on the completion of service-based milestones subsequent to Completion; and
- 2,080,000 Options under the New Incentive Plan, that vest either on the achievement of performance-based milestones subsequent to Completion or based on the completion of service-based milestones subsequent to Completion.

Given that these do not vest prior to, or on Completion, no value has been placed on them in the Pro Forma Statement of Financial Position.

4.3.12. Accumulated Losses

The table below details the reconciliation of the pro forma accumulated losses of Conrad as 31 December 2021, reflecting the actual accumulated losses at that date and reflecting the impact of the pro forma adjustments as set out in Section 4.3.5:

	Before accepting Over- subscriptions (US\$)	Assuming all Over- subscriptions are accepted (US\$)
Conrad accumulated losses at 31 December 2021 (audited)	(16,450,937)	(16,450,937)
Operating losses subsequent to 31 December 2021	(4,070,000)	(4,070,000)
Prepaid finance expense in relation to warrants attached to shareholder loans	(1,084,932)	(1,084,932)
Cost of conversion of the SAFE	(1,520,000)	(1,520,000)
Cost of SAFE Warrants issued on conversion of the SAFE	(520,000)	(520,000)
Costs of the Offer not expensed subsequent to 31 December 2021	(252,167)	(252,167)
Pro forma accumulated losses	(23,898,036)	(23,898,036)

4.3.13. Subsequent Events

To the best of our knowledge and belief, there have been no other material items, transactions or events subsequent to 31 December 2021 not otherwise disclosed in this report or the Prospectus that have come to our attention during the course of our review which would cause the information included in this report to be misleading.

4.4. Management Discussion and Analysis of The Historical Financial Information

4.4.1. General Overview

The section below is a discussion of Conrad's operating and financial performance during the period of the historical financial information, and which may impact on future operating and financial performance.

The general matters discussed below are a summary only, do not represent all events and factors that affected the Company's historical operating and financial performance, nor everything that may affect the Company's operating and financial performance in future periods.

The information in this section should also be read in conjunction with the risk factors set out in Section 5 and the other information set out in this Prospectus.

4.4.2. Revenue

Revenue is generated from consultancy services rendered in Indonesia. Due to Conrad being in the exploration stage of its operations, it is not yet generating revenue from the sale of commodities.

4. Financial Information Cont.

4.4.3. Expenses

The fluctuations in Cost of services and Other operating expenses during the periods presented are primarily driven by activity and the appraisal drilling operations conducted in 2019 and early 2020 as compared to later periods where there were no drilling operations.

Travelling costs have declined across the periods presented due largely to impacts of COVID-19 related restrictions.

Employee benefits expenses (largely salaries and wages), being for key executives and directors, are one of the larger ongoing expenses of the Company and have gradually increased across the periods presented.

During the year ended 31 December 2021, the company incurred a number of one-off non-cash expenses, including US\$0.3 million share based payment for shares issued to employees under a legacy employee share plan, US\$1.3 million costs for the issue of Loan Warrants to shareholders in relation to the warrants attached to the shareholders' loans, the write off of exploration and evaluation expenses of US\$4.1 million and a fair value expense on revaluation of Loan Warrants issued to shareholders of US\$1.2 million.

During the year ended 31 December 2020, Conrad disposed of a portion of its interest in Duyung. The disposal led to the recognition of a one-off gain of US\$1.1 million on the disposal of the exploration and evaluation asset, and a US\$3.7 million loss on the partial disposal of the PSC interest.

During the year ended 31 December 2019, Conrad disposed of a portion of its interest in Duyung. The disposal led to the recognition of a one-off gain of US\$4.0 million on the partial disposal of the PSC interest.

4.4.4. Key Factors Affecting Conrad's Historical Statement of Cashflows

Due to the early stages of the Company's operating activities, cash generated from operations is not sufficient to sustain operations. The principal source of funding for the Company during the periods presented has been capital raised through the issue of shares and proceeds from the issue of shareholder debt.

4.4.5. Working Capital

Subsequent to the proposed capital raising, as illustrated in the pro forma historical statement of financial position, the pro forma net current assets of Conrad as at 31 December 2021 would be approximately US\$27.5 million (assuming that no Shares are issued pursuant to the Oversubscriptions) and US\$34.4 million (assuming the maximum number of Shares are issued pursuant to the Oversubscriptions), assuming none of the warrants on issue are exercised at that time. This calculation is after accounting for cash spent by the Company subsequent to 31 December 2021 and up to 30 June 2022.

4.4.6. Funding

Conrad has set aside approximately US\$5 million of the proceeds from the capital raising to repay the existing shareholder loans that are due within 12 months. The remaining proceeds from the capital raising will be used principally to fund the development of the Mako gas field up to FID at mid-2023. This will include, without limitation, Front End Engineering and Design (FEED), associated field maturation studies, ongoing project management team and third-party consultant cost, the purchase of long lead equipment and any fees required to secure the lease of a MOPU. This will amount to up to US\$17.4 million (100%). In addition, approximately US\$3.1million (100%) will be used to convert the Aceh JSAs to PSC.

In preparing the pro forma historical consolidated statement of financial position, we have assumed that the 846,154 Loan Warrants (on a pre-split basis) attached to the shareholder loan are not exercised upon listing of Conrad on ASX, despite having an exercise price at a minimum 20% discount to the Offer Price, as the Loan Warrant holders have no obligation at that time to exercise their Loan Warrants and convert them to ordinary shares. If all of these Loan Warrants were to be exercised, the Company would receive additional cash proceeds from the issue of shares of an estimated US\$5.7 million (assuming an Offer Price of AU\$1.46 per share and the proposed share split of 8 Loan Warrants for every 1 warrant held). This adjustment would have the impact of increasing net assets by up to approximately US\$5.7 million.

4.5. Dividend Policy

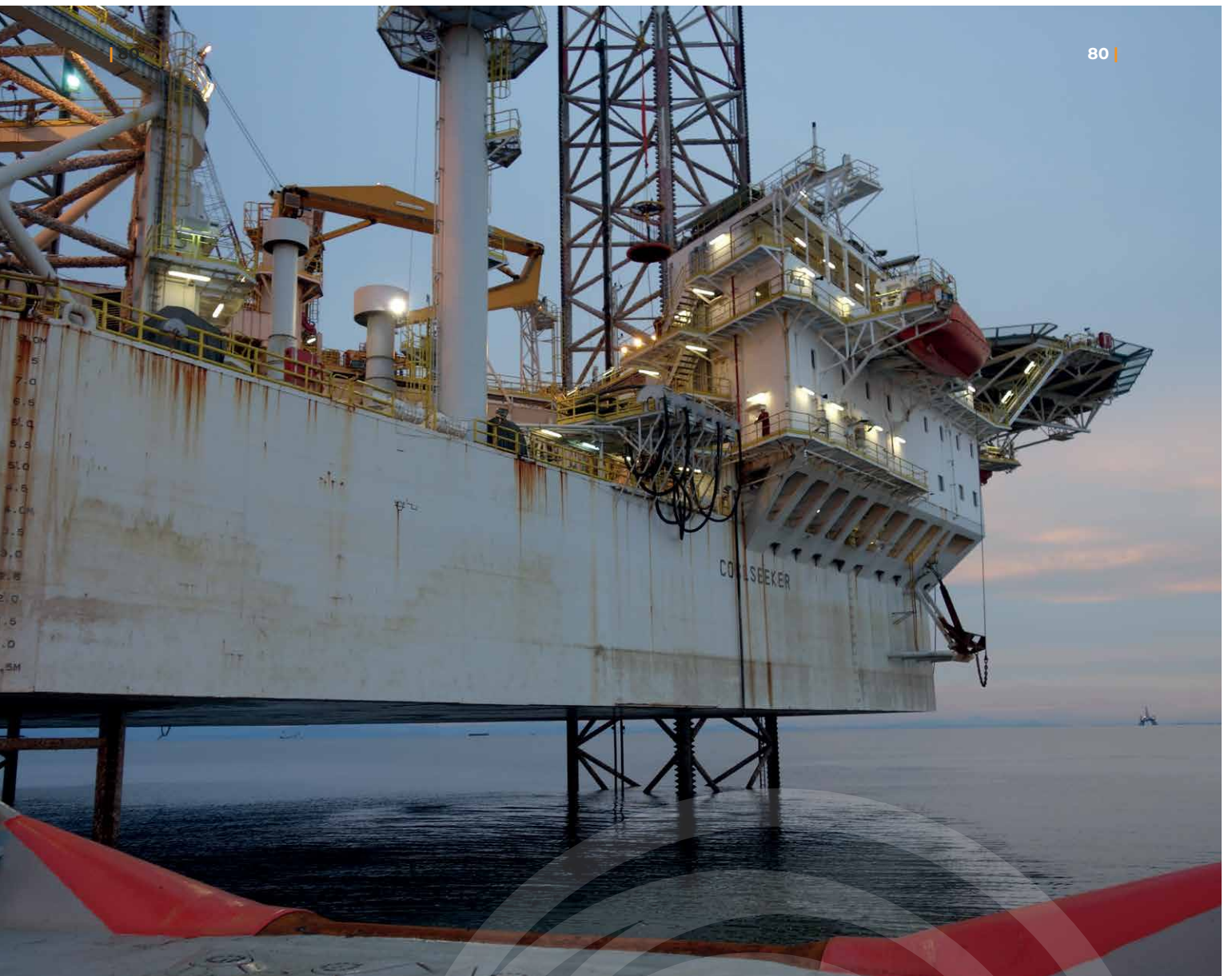
Payment of dividends by the Company is at the discretion of the Directors and the Directors do not provide any assurance of the future amount of dividends. As discussed in Section 4.4.2, the Company currently does not generate any revenue. Accordingly, no dividends are expected to be paid in the foreseeable future following the Company's listing on ASX.

In determining whether to declare future dividends, the Directors will consider the general business environment, the operating results and the financial condition of the Company, future funding requirements, capital management initiatives, taxation considerations, any contractual, legal or regulatory restrictions on the payment of dividends by the Company and any other factors the Directors may consider relevant.

An Australian resident company is generally able to pay franked dividends to its shareholders to the extent that Australian income tax has been paid in respect of its underlying corporate profits. However, as the Company is not a resident of Australia for tax purposes, it should not be able to pay franked dividends to its security holders. Further information on the tax consequences for security holders and/or CDI holders of receiving unfranked dividends from the Company is contained in Section 8.19.

CDIs will be listed on the ASX and priced in Australian dollars. However, the Company's reporting currency is US dollars. As a result, movements in foreign exchange rates may cause the price of the Company's CDIs to fluctuate for reasons unrelated to the Company's financial position or performance and may result in a discrepancy between the Company's actual results and investors' expectations of returns on CDIs expressed in Australian dollars.

In addition, if a dividend is paid by the Company in the future, this dividend will be denominated in US dollars. As such, an investor whose principal currency is not US dollars will be exposed to foreign currency exchange rate risk. Any depreciation in the value of the US dollar relative to such foreign currency will reduce the value of any such dividends in relation to such foreign currency.



5. Key Risks

5. Key Risks

This Section 5 is a summary only and does not purport to list every risk that may be associated with an investment in the Company or its Securities now or in the future and identifies some of the potential risks associated with an investment in the Company and its Securities. An investment in the Company is subject to risks specific to the Company and its business activities and is also subject to general risks. The occurrence or consequences of some of the risks described in this Section 5 are partially or completely outside the control of the Company. The occurrence of any single risk, or a combination of these risks, may have a material adverse impact on the business, operations, reputation, financial position, performance and prospects of the Company. Accordingly, any investment in the Company is subject to significant risk and uncertainty and should be considered speculative.

The selection of risks has been based on an assessment of a combination of the likelihood of the risk occurring, the ability to mitigate the risk and the impact of the risk if it did occur. That assessment is based on the knowledge of the Company as at the Prospectus Date, but there is no guarantee or assurance that the importance of different risks will not change or that other risks will not emerge.

There can be no guarantee that the Company will deliver on its business strategy, or that any forward-looking statement contained in this Prospectus will be achieved or realised. The actual results could differ materially from those anticipated in any such forward-looking statements as a result of certain factors, including the risks described below and elsewhere in the Prospectus. You should note that past performance is not a reliable indicator of future performance.

This Section is general in nature only and before deciding whether to invest in the Company by applying for CDIs, you should read the entire Prospectus carefully and satisfy yourself that you have a sufficient understanding of these matters and should consider whether the Company CDIs are a suitable investment for you, having regard to your own investment objectives, financial circumstances, risk tolerance and taxation position. If you do not understand any part of this Prospectus or are in any doubt as to whether to invest in the Company, you should seek professional guidance from your solicitor, stockbroker, accountant or other independent and qualified professional advisor before deciding whether to invest.

5.1 Risks specific to an investment in Conrad

(a) Changes to Indonesian Laws and Regulations

The Company is subject to various national and local laws and regulations, in particular Indonesian laws. Non-compliance with Indonesian laws can lead to regulatory or legal actions and can impact the status and terms of any of the Company's PSCs, the Company's role as the operator of a PSC or the granting of governmental regulatory approvals. Changes in government policy, the relevant upstream oil and gas regulator, the fiscal regime, taxation laws and regulation, regulatory regime or the legislative framework of Indonesia, including any changes to the Oil and Gas Law, as well as regulatory regimes which may seek to impose a cost on carbon (whether through a carbon tax, carbon trading scheme or otherwise) could impact the Company's business, operating and financial performance, profitability, prospects and asset valuations. The effects of any such changes or actions may result in, amongst other things, delays, the inability of the Company to execute certain activities, increased costs, increased taxes (direct and indirect), reduced revenues or reduced profitability.

In addition to potential changes to existing laws, policy and regulation risk also arises in relation to changes in interpretation or application of the law or regulation by courts, regulators or authorities in particular where specific guidance or precedent is unavailable.

Moreover, since 2004, certain regulatory responsibilities and/or authority have been decentralised from the Government of Indonesia to regional (i.e., provincial and/or local) governments. This process of devolution is ongoing and while the regulations on regional autonomy, as well as various sector-specific laws, have set out the divisions of authority between the Government of Indonesia and regional governments, the interpretation and implementation of such regulations has been inconsistent, which has resulted in uncertainty in the application of regulations by regional governments as well as uncertainty as to whether the rights granted by the Government of Indonesia at the central, provincial and local levels conflict with each other, or that the application of regulatory powers will be consistent. These uncertainties may impact the timeframes, terms and processes of any future approvals required by the Company and may have an

5. Key Risks Cont.

adverse impact on the Company's business, strategy, operating and financial performance, profitability, prospects and asset valuations. Please note however that in 2020, the Government of Indonesia enacted Law No. 11 of 2020 regarding Job Creation (commonly referred to as the "Omnibus Law") where, among other things, it authorised the Government of Indonesia to control and standardise business permit process throughout Indonesia and mitigates inconsistencies and conflict between laws and regulations at national and regional level.

(b) Joint Venture Risk

The management and development of upstream oil and gas assets are commonly conducted under joint operating arrangements which serves to mitigate risk and associated costs of exploration, development and production activities. For example, the current JOA Partners of the Duyung PSC. However, failure to agree or align with JOA Partners on key activities could have a material effect on the Company's business. In respect of Duyung, the approval of any development plan for the Mako Gas Field requires the Company's JOA Partners to provide the affirmative vote of two (2) or more unrelated parties holding collectively at least 75% of the Participating Interests. The JOA Partners also require appropriate project financing or adequate levels of capital to provide ongoing funding to meet POD obligations and for the development of the Mako Gas Field to production.

There is a risk that JOA Partners may not approve the FID for the Mako Gas Field or fail to secure financing or capital to support the development of the project. This could have a material adverse impact on the ability and the timing of the Company to develop the Mako Gas Field and meet POD obligations. Additionally, the failure of a JOA partner or JOA operator to perform its obligations under the JOA, particularly the obligation to meet its share of ongoing joint venture costs and liabilities, may result in delays, disputes or the Company and other joint venture partners having to make increased contributions to advance or maintain joint venture activities. Delays or the inability to develop the Mako Gas Field may result in the Company incurring further costs, delays and may impact the ability of the Company and its JOA Partners to meet their obligations under Duyung and its POD which may result in default or termination of the PSC.

There is also a risk that JOA Partners may fail to meet their commitments and share costs and liabilities, act negligently, fraudulently or fail to maintain adequate licences and permits, which could result in increased costs for the Company and have an adverse impact on the joint venture's relationship with regulators and the Government of Indonesia and the ability of JOA partners to meet their obligations under a PSC, POD or any future GSAs, potentially resulting in default or termination of the PSC or any future GSAs.

These risks could have a materially adverse impact on the Company's business, financial performance, profitability, asset valuations, strategy and prospects and reputation.

(c) Financing Risk

The Company's ability to develop the Mako Gas Field, to achieve its estimated first gas production from Mako, to operate its business and effectively implement its business plans within expected timeframes, including the exploration, appraisal and development of growth projects, will depend on its ability to raise additional capital, potentially through project financing, farming down or divestment of part or all of its projects and potentially to refinance its debts.

Obtaining sufficient financing for development will be a condition precedent to FID for the JOA Partners in Duyung. No assurance can be given that any such additional capital or funding will be made available to the Company or its JOA Partners or that, if available, it will be available on acceptable terms. If additional funds for the Company are raised through the issue of equity securities, the capital raising may, in some circumstances, be dilutive to CDI holders. Similarly, further funding through farming down or a divestment of a part of or all of its projects will reduce the Company's interest in the project and its ability to operate a project.

In addition, certain financial institutions, institutional investors and other sources of capital have begun to limit or eliminate their investment in oil and gas activities citing climate change concerns. A failure to obtain financing or availability of financing on acceptable terms would mean that the development of the Mako Gas Field would not be able to proceed and if sufficient funds are not available to satisfy the Company's short, medium or long-term capital requirements when required, this may have a materially adverse impact on the Company's ability to continue as a going concern, the Company's operational and financial performance, profitability, asset valuations, strategy and prospects.

(d) Reliance on Third Parties and Insurance Coverage

The Company will need to obtain certain approvals, consents or agreements from third parties to conduct its activities or implement the POD Revision. This may include, without limitation, obtaining approval from MEMR of the POD Revision, agreement with the operator of WNTS for the use of the pipeline, and consents from third parties for the use of manifolds or other infrastructure for the transportation of gas produced from the Company's assets. There is a risk that the failure to obtain approval, consent or agreement from such third parties would adversely impact the Company's ability to conduct its activities, execute its business strategy and perform its obligations under its POD Revision.

In addition to its JOA Partners, the Company also relies on other third parties (e.g. contractors and pipeline operators) to develop, operate and maintain its assets as well as meet its obligations under any POD. This includes obtaining third party services such as drilling, facility engineering, production operations and gas transportation. There is a risk that such third parties may fail to meet their contractual obligations, for example due to financial or operational difficulties. Further, should any agreements with third parties be terminated, it cannot be assured that a suitable replacement can be found within a reasonable time or on terms acceptable to the Company.

Under typical service contracts in the oil and gas industry, the Company may also be required to assume some of the risk of damage to, or loss of, equipment and facilities provided to the Company by third party contractors, such as drilling rigs, seismic acquisition vessels, service boats, tankers and MOPUs. The Company will seek to maintain appropriate policies of insurance that are consistent with those customarily carried by similar companies in the oil & gas industry, and appropriate for the Company's needs. There is no assurance that the Company's insurance coverage will be sufficient to compensate it against all losses it may suffer as a result of an incident affecting its assets or operations.

There are also certain types of risks which are typically not covered by insurance due to their nature, including hostilities, acts of terrorism, civil unrest and business disruption caused by outbreaks of disease (including the COVID-19 pandemic). If such events were to occur the Company may have to bear the costs of any uninsured risk or uninsured amount which could have a material adverse effect on the Company's financial position, operating and financial performance, profitability, asset valuations, strategy and prospects.

In addition, any increase in the cost of such insurance policies, or an inability to fully place, renew or claim against insurance policies could adversely affect the Company's business, financial position and operational results. Nonetheless, the Directors will periodically review the insurance cover in place to assess its adequacy.

In addition, the infrastructure that the Company will use to transport gas, including pipelines and receiving facilities, to customers is owned and operated by third parties. Availability of such infrastructure or failure of third parties to safely operate such infrastructure may delay or impact the Company's development plans or impact its business.

Such risks with third parties could result in the Company failing to meet its obligations including under its PSCs and any future GSAs, such as exploration program obligations, incurring additional costs and result in disputes with third party service providers, which may have a materially adverse impact on the Company's business, operating and financial performance and prospects.

5. Key Risks Cont.

(e) Exploration Risk

Oil and gas exploration is by its nature, speculative, and each Prospect and Lead carries a degree of risk associated with the successful discovery of hydrocarbons in commercial quantities. The value of exploration and development assets can be affected by a number of different factors including, amongst other things, macro-economic and socio-political conditions, changes to reserves estimates, the composition of oil and gas reserves, unforeseen project difficulties and other operational issues. The Company's future production profitability and assets values are subject to both subsurface and commodity price uncertainties. There is no assurance that the Company's exploration assets will be commercially viable. Until the Company is able to realise value and revenues from its projects, it is likely to incur ongoing operating losses.

The Company's assets are at various stages of maturity, and potential investors should be aware that upstream exploration and development are high-risk undertakings. There can be no assurance that exploration of the PSCs, or any other assets that may be acquired in the future, will result in the discovery of petroleum resources at all, or that can be commercialised in sufficient quantity.

The majority of the Company's assets cover working areas that are undeveloped and require significant capital to establish whether they can be matured and subsequently developed. Underground oil and gas reserve and resource estimates are expressions of judgement based on knowledge, experience and industry practice. Estimates which are valid at a certain point in time may alter significantly or become uncertain when new oil and gas reservoir information becomes available through additional drilling or reservoir engineering over the life of the field. As reserve and resource estimates change, development and production plans may be altered in a way that may affect the Company's operations and/or financial results.

Subsurface estimates of oil and gas reserves are made by inferring subsurface conditions from limited surface data such as seismic data, and wells that penetrate only a small fraction of potential and actual reservoirs. Such inferences and judgements are, by their nature, uncertain and while such uncertainties can be reduced by additional seismic data or the drilling of further wells, they cannot be eliminated. Accordingly, there is no way to predict in advance of drilling and testing whether any particular Prospect or Lead will yield oil or gas in sufficient quantities to recover drilling or completion costs or to be commercially viable. The use of seismic data and other technologies and the study of producing fields in the same area will not enable the Company to know conclusively prior to drilling whether oil or gas will be present or, if present, whether oil or gas will be present in quantities or contained within reservoirs of sufficient quality that would be commercially viable to recover. If the Company is successful in its drilling, appraisal and development activities, it would require significant capital to drill and develop these assets and it could take several years thereafter for the Company to develop and generate positive cash flow such assets.

The Company's exploration and appraisal activities are also dependent upon the grant and maintenance of appropriate approvals, licences, permits, resource consents, access arrangements and regulatory authorities (authorisations) which may not be granted or may be withdrawn or made subject to limitations and conditions. There are risks that such authorisations may not be granted or there may be delays in obtaining such authorisations and/or being subject to unforeseen terms or conditions which could have material and adverse impacts on the Company's business strategy, operating and financial performance, profitability, asset valuations and prospects.

(f) Expenditure Risk

The exploration costs of the Company are based on certain assumptions, estimates and judgements including with respect to the method and timing of exploration and prevailing market conditions. By their nature, these estimates, assumptions and judgements are subject to significant uncertainties. There are risks that cost estimates and their underlying assumptions and judgements will materially increase which could have material and adverse impacts on the Company's business strategy, operating and financial performance, profitability, asset valuations and prospects.

The Company's current and planned capital expenditures on projects may be subject to unexpected problems, costs and delays, and the economic results and the actual costs of these projects may differ significantly from the Company's current estimates. The oil and gas market, and the Company's business, is dependent on prevailing market prices for services and raw materials. The price of oil and gas and other commodities has increased dramatically during 2022 for a number of reasons including geopolitical disagreements, conflict in Ukraine and other macroeconomic factors. The Company has no control over these events and it is not possible to predict future oil and gas price movements or other commodities or associated oilfield services and equipment cost increases with certainty. Any competitive or inflationary pressures on suppliers and contractors, or substantial increases in the global prices of commodities, such as steel, could result in a material increase of costs for the materials and services required to conduct the Company's operations.

There is a risk that the Company may also incur various unanticipated costs, such as those associated with increased costs of personnel, increased logistics or transportation costs, changes in the Indonesian taxation regime and any changes to Indonesian environmental and safety requirements.

There is also a risk that the Company may also incur various unanticipated costs associated with further phases of development. The Mako POD Revision envisages two phases of activity. Depending on field performance (reservoir, wells and facilities) following commencement of production, additional phases of development may be required either to rectify performance deficiencies or to take advantage of upside opportunities.

(g) Resource Estimates

Understanding of subsurface conditions is based on the interpretation of the best data available but due to the inherent uncertainty of such data and its interpretation, there is a risk that the Company may reach incorrect conclusions in respect of resource and reserve estimates. The Contingent and Prospective Resources set out in this Prospectus represent estimates only, and represent quantities estimated at a given point in time. Estimates which are valid at a certain point in time may alter significantly or become uncertain when new oil and gas reservoir and subsurface data becomes available through reservoir engineering or additional drilling. This Prospectus includes estimates of the Company's share of Contingent and Prospective Resources independently assessed by GaffneyCline.

No assurance can be given that the resource estimates in this Prospectus will be recoverable or at the amounts or levels disclosed. The rates and quantities of natural gas that are ultimately recovered could be materially different from the estimates reported, and reductions or reclassifications of these estimates could have a material adverse effect on the commercial viability of the Company's projects and the value of the Company's assets. As resource estimates change, development and production plans may be required to be altered in a way that adversely affects the Company's operating and financial performance, profitability, asset valuations and prospects.

In addition, the gas resources in this Prospectus assume that the Company continues to be entitled to PSCs or licences over relevant fields and working areas and that the fields will be produced until the economic limit of production is reached. If any of the PSCs or licences are not renewed or are cancelled or extensions not granted, estimated resources may be materially impacted.

(h) Procurement Risk

Oil and gas exploration, appraisal, development and production activities require the procurement of drilling, facility, transportation and related equipment, services, machinery and personnel. The Company's ability to procure the required equipment, services and personnel may be impacted by the level of demand in the region. In the working areas in which the Company operates, there is significant demand for drilling rigs, facility and other related equipment, services and personnel. There are risks that the Company may not be able to procure the required equipment, services and personnel on acceptable terms within required timeframes, which could have a material and adverse effect on the Company's ability to satisfy its exploration commitments under its PSCs, its obligations under its plans of development of its projects and its general operations. This may result in additional costs, penalties or the loss or variation of all or some of the Company's rights under its PSCs and may have a materially adverse impact on the Company's business strategy, financial and operating performance, profitability, asset valuations and prospects.

5. Key Risks Cont.

In respect of the Mako Gas Field project, the Company intends to procure a MOPU under a leasing arrangement, which will need to be approved by SKK Migas in the POD Revision. There is no guarantee that SKK Migas will approve the use of a MOPU or permit the Company to lease the MOPU, which may impact the POD for the Mako Gas Field and result in the Company incurring additional costs to arrange alternative production units.

(i) Production Risk

The Company's existing portfolio of assets are not in production. There is a risk that the Company's assets may not be developed into producing assets, or that they will produce sufficient volumes and for a period required by any plan of development or GSA. This may impact the value of the Company's assets and may have an effect on the Company's financial position, profitability, asset valuations, strategy and prospects.

Oil and gas producing assets may also be subject to facility shutdowns, mechanical or technical failure, well, reservoir or other subsurface impediments or declines, safety breaches, natural disasters and other force majeure events, which may result in a reduction in production or stoppages. This may adversely impact Company's ability to meet its obligations or commitments to supply gas under the terms of any plan of development or future GSAs.

(j) Operational, Environmental and Health & Safety Risks

The Company's PSCs cover working areas in the offshore waters of Indonesia. Offshore gas exploration, appraisal and development activities are subject to various operational, financial, environmental and health and safety risks.

Operational and health and safety risks that the Company may be subject to, include but are not limited to, adverse weather conditions, environmental hazards, accidents (including, for example, fires, explosions, uncontrolled releases, spills and blowouts), personal injury of Company personnel (including resulting in death), mechanical failure, equipment failure, industrial disputes, supply chain failure, infrastructure and pipe failures, transport and occupational safety incidents and other unexpected events.

Major environmental risks include accidental spills or leakage of petroleum liquid, gas leaks, ruptures, or discharge of toxic gases. The occurrence of any of these risks could result in: substantial losses to the Company 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; a shutdown of all or a part of the Company's facilities; and penalties or suspension of operations.

Damages occurring to third parties as a result of such risks may also give rise to claims against the Company.

The occurrence of an operational or health & safety or environmental risk event could also result in damage to, or destruction of, production facilities, environmental damage, increase operational costs and significantly disrupt the Company's operations, possibly restricting the Company's ability to advance its exploration programs, meet its exploration obligations, develop the Mako Gas Field pursuant to the estimated schedule or expand into other projects. The occurrence of any of these events may also have a materially adverse impact on Company's reputation and may affect Company's ability to continue its operations or to obtain further investment or financing.

(k) Gas Transportation Risk

The Company and its future customers rely upon transportation infrastructure, including infrastructure owned and operated by third parties such as WNTS. There is a risk that transportation infrastructure may not be available at all, or on reasonable tariffs, terms and conditions and acceptable to the Company, or may subsequently become unavailable or subject to unreasonable or unexpected prices, tariffs, terms and conditions, which could result in material adverse impacts including an inability to transport gas and/or an inability to transport gas, an inability to meet GSA obligations leading to decreased customer demand and downward pricing pressure. While the Company is currently in negotiations for access to the WNTS transportation infrastructure, and notwithstanding spare capacity in the WNTS sufficient to accommodate Mako gas offtake, there is a risk that Company may not successfully enter into any transportation and access arrangements on reasonable terms, or in the timeframe required by any POD. This could have a materially adverse impact on the Company's expected project schedule and could result in additional capital expenditure costs.

(l) Reliance on Key Personnel

The operating, financial and strategic performance of the Company is in part dependent on its ability to retain and attract key personnel. Responsibility for overseeing the day-to-day operations and strategic management of the Company rests entirely with its senior management and key personnel. Whilst the Company makes every reasonable effort to retain key employees, no assurance can be given that the Company will retain its Executive Leadership Team and key personnel.

(m) Limited Operational History and Failure to Execute Growth Strategies

While the Directors and the Executive Leadership Team have extensive experience in the oil and gas industry, the Company has a limited operating history upon which to base an evaluation of its business performance and prospects. The Company is in the early stage of developing its assets and there are substantial risks, uncertainties, expenses and difficulties to which the Company's business is subject. To mitigate these risks and uncertainties, the Company must successfully develop and execute its business plans and strategies as well as respond to macro, project specific and competitive developments. There can be no assurance that Company will be able to effectively execute its projects, within budget and pursuant to forecasted schedules or manage effectively the expansion of its portfolio whether through organic growth or acquisitions.

There can be no assurance that the Company will generate profits from its operations at all, which could impact its ability to sustain operations, bring operations to a point where it is able to make full use of its rights pursuant to a PSC or obtain any additional funds required in the future to satisfy requirements beyond current committed capital expenditure. The Company cannot be certain that it will be able to successfully develop and implement its business strategies or that it will successfully address the risks it faces. The Company's growth strategies include developing its current portfolio of assets into producing assets and to identify opportunities to acquire further assets.

There is no guarantee that all or any of Company's growth strategies will be successfully implemented, deliver the expected returns or ultimately be profitable. The successful acquisition of assets requires an assessment of recoverable reserves and development and operating costs and there is a risk that future acquisitions of assets may not provide the Company with any commercial volumes of resources or generate any returns.

In the event that Company does not successfully implement its business strategies or address these risks, the Company's business, financial condition, prospects, operating and financial performance asset valuations and prospects could be materially and adversely affected.

(n) Risks from Competition

The oil and gas exploration and production industry in which the Company is involved is subject to competition, including competition from alternative sources of oil, gas and LNG and other sources of energy supply. Whilst the Company will endeavour to undertake all reasonable and necessary due diligence in its business decisions and operations, it will have no influence or control over the activities or actions of its competitors, whose activities or actions may positively or negatively affect the operating and financial performance of the Company's projects and business.

(o) Fluctuation in the Price of Oil and Gas

The Company's business, strategy and future revenues will be heavily dependent on prevailing market prices for its products, primarily gas. Changes in the prices of oil and gas will impact the Company's future revenues, profitability as well as ability to service its debts.

Historically, oil and gas prices have fluctuated for various reasons, including (but not limited to) the global and regional supply and demand of oil and gas, the actions of OPEC, market speculation in relation to the trading of oil and gas futures contracts, political and economic conditions of oil producing regions, the effects of a pandemic such as COVID-19, governmental regulations, geopolitical disagreements and other macroeconomic factors as well as global and regional economic conditions and broad energy transition concerns around the hydrocarbon industry. The Company has no control over these events and it is not possible to predict future oil and gas price movements with any certainty.

5. Key Risks Cont.

An extended or substantial decline in oil and gas prices or demand for oil and gas, or the expectation of such a decline, may mean that previously assessed gas reserves and resources may no longer be regarded as commercially recoverable. This may result in a reduction of the resource estimates for the Company's assets, which may adversely impact the valuation of the Company's assets.

(p) Macroeconomic Conditions and Cyclical Nature of the Resource Sector

Macroeconomic factors such as unemployment, underemployment, interest rates, the level of consumer spending, business investment, economic impacts of pandemics (including COVID-19), government spending, government policy, the volatility and strength of the global and Australian and Asian capital markets, currency value, exchange rates and inflation (particularly of essential items) all affect the business and economic environment and, ultimately, the profitability of the Company's business. The Company's customers and contractors are also exposed to the general economic cycle.

The resource sector is particularly susceptible to macroeconomic conditions such as the pricing of commodities (and factors influencing pricing including the price of carbon) and volatility of the commodity market, interest rates, political climate and government policies. These factors amongst other things impact general supply and demand. When the economic cycle turns negative, the Company's customers and contractors may experience a deterioration in their financial performance which may in turn also impact the Company's ability to operate, ongoing earnings, cash flows and/or financial position.

In addition, broader energy transition concerns around the hydrocarbon industry and the global movement toward the increasing use of renewable and cleaner energy sources as well as potential costs on carbon (whether through a carbon tax, carbon trading scheme or otherwise) are other factors that are likely to impact the current and future outlook and price for oil and gas industry participants, including the Company. Indonesia does not currently impose any carbon taxation on the petroleum industry but there is no assurance that any such costs on carbon will not be introduced by the Government of Indonesia in the future.

Any global or domestic economic slowdown or adverse economic conditions can also constrict the Company's ability to access funding markets. This may reduce Company's access to capital and accordingly reduce its ability to maintain its business, meet its obligations, commit to FID on projects, retain its assets, grow and/or the increase in the costs of such funding markets may materially affect the Company's operational and financial performance, profitability, asset valuations, strategy and prospects.

(q) Impairment Risk

The Company holds assets which may be subject to impairment risk, including exploration and production assets.

Many of the risks outlined in this Section 5, including the impact of fluctuation in the price of oil and gas, currency and foreign exchange risk, financing risk, production risk, the risk relating to resource estimates, or costs impacts to the development of the Mako Gas Field may cause the Company to reassess the carrying value of Duyung and other assets. The recognition of impairment will result in a write down of asset value and an equivalent non-cash charge to the income statement, thereby reducing the Company's net assets and reported profits respectively. The Company will assess indicators of impairment during each reporting period.

(r) Currency and Foreign Exchange Risk

The proceeds of the Offer will be received in Australian dollars, while the Company's functional currency is US dollars. The Company does not currently hedge against exchange rate risk, and consequently movements in different exchange rates could affect the exchange rate between the pricing of the Offer and the Closing Date until such time as proceeds are exchanged for US dollars.

Further, the CDIs will be listed on the ASX and priced in Australian dollars. As a result, movements in foreign exchange rates may cause the price of the Company's CDIs to fluctuate for reasons unrelated to the Company's assets, financial condition, prospects or performance. The fluctuations may result in discrepancy between the Company's actual results of operations and investors' expectations of returns on securities expressed in Australian dollars. This may in turn adversely affect the Company's business as well as its operating and financial performance.

(s) Exchange Control Risk

There are no current foreign exchange controls in Indonesia. The Indonesian Rupiah is freely convertible into any currency and vice versa, however, only authorised banks may carry out foreign trade-related exchange operations.

As part of a series of measures designed to strengthen the Indonesian Rupiah and help reduce the current account deficit, Bank Indonesia issued a regulation in 2015 (17/3/PBI/2015), mandating that all domestic financial transactions must be conducted in Rupiah. The regulation's exemptions moderate the extent to which foreign firms are affected.

This regulation stipulates the mandatory use of Rupiah for "all transactions in Indonesia that are for the purpose of payment, all transactions in Indonesia that are for the settlement of other obligations that must be fulfilled with money, and all other financial transactions in Indonesia." However, the regulation contains numerous exemptions, including certain transactions related to state budget revenue and expenditure, including receipts from oil and gas royalties and bank deposits in foreign currencies.

If businesses have trouble implementing the mandatory use of Rupiah for non-cash transactions, Bank Indonesia may also issue exemptions.

Future introduction of more restrictive and extensive exchange controls could have a material adverse impact on the Company's business, financial performance, profitability, asset valuations, strategy and prospects and reputation.

(t) Indonesian Sovereign Credit Rating

Data published by the Bank of Indonesia shows that Indonesia's sovereign credit rating has steadily improved from lows of Standard and Poor's (S&P) SD rating in April 2002. On 27 April 2022, S&P revised the outlook to "Stable" from "Negative" and affirmed the Sovereign Credit Rating of the Republic of Indonesia at BBB (Investment Grade).

Similarly, Moody's has affirmed (on 10 February 2022) Indonesia's Sovereign Credit Rating at Baa2 with a stable outlook with key factors such as continued economic resilience and preserved monetary and macroeconomic policy effectiveness.

Any deterioration in Indonesia's sovereign credit rating may impact the Company's ability to access debt or equity capital markets or to access such capital markets on reasonable terms. This may reduce the Company's access to capital and accordingly reduce its ability to maintain its business, meet its obligations (including capital commitments under its PSCs), commit to FID on projects, retain its assets, grow and/or the increase in the costs of accessing such capital markets may materially affect the Company's operational and financial performance, profitability, asset valuations, strategy and prospects.

(u) Climate Change

The Company is exposed to a number of climate change related risks. Material climate change related risks include:

- changes in demand for products due to regulatory and technological changes (transitional risk);
- increases in operating costs of assets due to carbon-pricing policies or other market mechanisms;
- restrictions on capital deployment to carbon intensive industries;
- national and international targets to reduce greenhouse gas (GHG) emissions which could add additional costs to, or restrictions on, the Company's plans, assets and activities;
- additional expenditure costs to develop or use technology to reduce GHG emissions and to engineer gas projects in ways to reduce GHG emissions;
- climate change legal and litigation risks associated with future GHG emissions;
- reputational damage driven by stakeholder activism and changing societal expectations; and
- physical risks associated with climate change such as physical damage to assets or interruption to operations from climatic changes and extreme weather events as well as longer term physical risks such as shifting climate patterns.

5. Key Risks Cont.

The occurrence of any of these risks could result in asset impairment, lost revenues and reputational damage amongst other things. Transitioning to lower-carbon emissions may involve policy, legal, technological and market changes, including restrictions on capital deployment to carbon intensive industries or projects, which could impact demand for natural gas and the Company may find it difficult to commercialise any resources.

The Company may be impacted by changes to local or international climate related compliance regulations or by specific climate related taxation, which may result in increased costs incurred by the Company to ensure compliance.

(v) Risk of Litigation, Claims and Disputes

The Company may be involved in litigation, arbitration, expert determination, class actions and other claims and disputes in the course of its business with various parties including customers, employees, contractors, suppliers, third party infrastructure owners, neighbouring PSC operators and JOA Partners. The Company is also subject to environmental regulatory compliance and may incur substantial fines, civil or criminal actions or third party claims if held liable for contraventions of environmental laws and regulations. Any litigation, arbitration, expert determination, class actions, claims or disputes, including the costs of settling claims and operational impacts, could materially affect the Company's business, operating and financial performance as well as delays in the Company's development schedule, and the diversion of resources and management's time.

The Company may be subject to regulatory actions in the course of its business, which may result in proceedings, demands, claims, costs and decisions that could result in costs, restrictions, penalties and delayed construction of facilities. Any such cases could materially affect the Company's business, operating and financial performance as well as delays in the Company's development schedule, and the diversion of resources and management's time.

(w) Sovereign Immunity

Indonesia has regulatory bodies and state-owned entities which enter into commercial contracts with oil and gas exploration and production companies in relation to the exploration, development and production of oil and gas resources.

The PSCs entered into by the Company are with SKK Migas, a regulatory body of Indonesia, and in the event of a dispute, it is uncertain if these regulatory bodies will be able to successfully invoke the principles of sovereign immunity which may limit the Company's ability to enforce its rights, which in turn could adversely affect the Company's business, financial and operational performance and prospects.

(x) Regulatory Approvals

SKK Migas is substantially involved in, and is required to approve, all material activities undertaken under PSCs, including exploration periods, exploration commitments, exploration programs, development, production, drilling and other operations, sale of natural gas and the hiring or termination of personnel. MEMR is also required to provide certain approvals, including extensions to PSCs after expiry of their 30-year terms. The failure or inability to obtain such approvals from either or both of SKK Migas and MEMR, or delays in obtaining such approvals, or conditions imposed in connection with the grant of such approvals could adversely affect the Company's ability to explore, appraise and develop its assets.

(y) Abandonment and Site Restoration (ASR) Obligations

At the end of field life, the Company will be required to undertake and incur expenditure in connection with decommissioning, abandonment and site restoration. PSC participants are required under the terms of the PSCs and the Oil and Gas Law to satisfy certain abandonment and site restoration (**ASR**) obligations. To ensure that sufficient funds are available to meet these ASR obligations, PSC participants must annually deposit and maintain, funds in a joint bank account of the PSC operator and SKK Migas. The scope of abandonment and restoration requirements and the associated funds required are stipulated under a POD and may include activities such as the plugging of wells, removal of pipelines and platforms.

The annual obligation to pay into the ASR fund starts in the first year of production. The amount of funds required is reviewed by SKK Migas on an annual basis. There is a risk that this ASR amount may increase above the amount initially estimated and stipulated in the POD Revision resulting in increased costs for the Company. In respect of the Mako Gas Field, the scope of abandonment requirements and the amount of the ASR funds specified in the POD Revision for the first phase of the Mako Gas Field development are expected to be US\$15.14 million and the amount independently estimated by GaffneyCline is US\$15.14 million.

(z) Increased Regulation May Increase Regulatory Compliance Costs

Increased regulation by the Government of Indonesia and other Governmental Authorities may increase the cost of regulatory compliance, limit the Company's access to new exploration projects and impact Company's development plans.

In Indonesia, Governmental Authorities such as SKK Migas, MEMR, the Ministry for Environment, the Coordinating Ministry of Maritime Affairs and/or Bank Indonesia administer and issue regulations that affect the oil and gas industry. The continued expansion of the roles of these Governmental Authorities coupled with adverse effects from unfavourable market perceptions of the environmental impact of the operations of oil and gas companies that generally follow specific incidents may result in the adoption of new regulations, legislation and practices that the Company would be required to comply with.

New regulations, legislation and practices may be more costly and burdensome to comply with, particularly in relation to environmental, health and safety controls, decommissioning and abandonment, and oversight of exploration and production operations. Given the possibility of unanticipated regulatory or other developments, the amount and timing of future legal and regulatory compliance costs is currently unknown but could increase substantially and may require changes to the Company's drilling operations, exploration, and development and decommissioning plans, and limit the Company's access to new exploration opportunities.

(aa) Political and Social Instability and Terrorism

As a relatively new democratic country, Indonesia continues to face various socio-political issues and has, from time to time, experienced political instability and social and civil unrest. The overall socio-political environment in which the Company operates, the value of assets as well as safety of staff and contractors may be adversely impacted by such political and social instability.

There have been past demonstrations in Jakarta and other Indonesian cities in relation to a wide range of political and other issues some of which have turned violent. In past years, Indonesia has also experienced various terrorist attacks directed towards the Government, foreign governments and public and commercial buildings which has resulted in loss of life. Any terrorist acts, threat or fear of terrorism, significant political and social instability, unrest and community issues as well as war, civil unrest and terrorism could have a material adverse effect on the Company, its assets and financial and operating performance and prospects including extended disruptions to the Company's operations. The Indonesian economy may directly or indirectly be adversely impacted by such issues as well as economic and fiscal issues which in turn could adversely affect the assets, operations and financial and operating performance of the Company.

5. Key Risks Cont.

(bb) Earthquakes & Natural Disasters

The geographic location of Indonesia means that it is subject to various forms of natural disasters and significant geological events, such as the 2004 Indian Ocean tsunami that devastated the province of Aceh.

Natural disasters or adverse conditions may occur in those geographical areas in which the Company operates, including severe weather, tsunamis, cyclones, tropical storms, earthquakes, floods, volcanic eruptions, excessive rainfall and droughts as well as power outages or other events beyond the Company's control. A significant earthquake or other geological disturbance or other natural disasters in Indonesia could also severely impact the Indonesian economy which in turn could negatively impact the Company and its assets.

There are risks relating to earthquakes, geological events, adverse conditions and natural disasters which may materially adversely affect the Company's business, financial and operational performance and prospects.

(cc) Industrial Relations

In 2003, the Government of Indonesia introduced laws (Law No. 13 of 2003 regarding employment) which permit employees to form unions without intervention from an employer, the Government of Indonesia, a political party or any other party. The liberalisation of regulations relating to the formation of labour unions combined with weak economic conditions has previously resulted in, and may continue to result in, labour unrest and activism in Indonesia. There are risks relating to industrial relations, trade unions, labour unrest and activism which could impact and disrupt the Company, supply chains, suppliers and contractors which may materially adversely affect Company's business, financial and operational performance and prospects.

(dd) The Company is a Singapore incorporated company and it may be difficult to enforce a judgment of Australian courts for civil liabilities under Australia law against the Company, the Company's directors and officers in Singapore

The Company is incorporated under the laws of the Republic of Singapore, and certain of the Company's directors are resident outside Australia. Moreover, the Company's consolidated assets are located outside Australia. As the Company's consolidated assets are located outside Australia, any judgment obtained in Australia against the Company may not be enforceable within Australia. Consequently, it may be difficult for investors to claim against the Company, the Company's directors or officers in Singapore.

(ee) The Company is Subject to the Laws of Singapore, which Differ in Certain Material Respects from the Laws of Australia

As a company incorporated under the laws of the Republic of Singapore, the Company is required to comply with the laws of Singapore, certain of which are capable of extra-territorial application, as well as the Company's Constitution. In particular, the Company is required to comply with certain provisions of the Singapore Securities and Futures Act 2001, which prohibits certain forms of market conduct and require certain information disclosures, and impose criminal and civil penalties on corporations, directors and officers in respect of any breach of such provisions. The Company is also required to comply with the Singapore Code on Take-Overs and Mergers, which specifies, among other things, certain circumstances in which a general offer is to be made upon a change in effective control, and further specifies the manner and price at which voluntary and mandatory general offers are to be made. The laws of Singapore and Australia differ in certain respects. The rights of the Company's CDI holders and shareholders and the obligations of the Company's directors and officers under Singapore law (including the Singapore Companies Act) are different from those applicable to a company incorporated in Australia in certain respects. Due to the potential lack of familiarity with Singapore law, amongst other factors, CDI holders may have more difficulty and less clarity in protecting their interests in connection with actions taken by the Company's management, members of the Company's board of directors or the Company's controlling shareholders than would otherwise apply to a company incorporated in Australia.

(ff) Conrad is subject to the Singapore Takeover Code, which requires a person acquiring 30% or more of its voting shares to conduct a takeover offer for all of its voting shares. This could have the effect of discouraging, delaying or preventing a merger or acquisition and limit the market price of Conrad's CDIs

Conrad is subject to the Singapore Takeover Code. The Singapore Takeover Code contains provisions that may delay, deter or prevent a future takeover or change in control of Conrad and limit the market price of its CDIs for so long as it remains a public company with more than 50 shareholders and net tangible assets of S\$5 million (Singapore dollars) or more. For example, under the Singapore Takeover Code, any person acquiring, whether by a series of transactions over a period of time or not, either on such person's own or together with parties acting in concert with such person, 30% or more of our voting shares, or if such person holds, either on such person's own or together with parties acting in concert with such person, between 30% and 50% (both inclusive) of our voting shares, and if such person (or parties acting in concert with such person) acquires additional voting shares representing more than 1% of our voting shares in any six-month period, must, except with the consent of Securities Industry Council in Singapore, extend a takeover offer for our remaining voting shares in accordance with the Singapore Takeover Code. Therefore, any investor seeking to acquire a significant stake in Conrad may be deterred from doing so if, as a result, such investor would be required to conduct a takeover offer for all of our voting shares.

These same provisions could discourage potential investors from acquiring a stake or making a significant investment in Conrad and may substantially impede the ability of Conrad's Shareholders to benefit from a change of effective control and, as a result, may adversely affect the market price of Conrad's ordinary Shares and the ability to realise any benefits from a potential change of control.

(gg) Singapore Taxes may Differ from the Tax Laws of Other Jurisdictions

Prospective investors should consult their tax advisors concerning the overall tax consequences of purchasing, owning and disposing of Company's CDI's or shares. Singapore tax law may differ from the tax laws of other jurisdictions, including Australia.

5.2 Specific Risks in Relation to the Company's Assets

(a) Revision of the Duyung POD

As noted in Section 2.5(a)(vi), the Company has finalised the POD Revision with SKK Migas and the document will now be submitted to MEMR for formal approval. The POD Revision reflects the increased resource estimates and production rates (which have been independently assessed by GaffneyCline) and that the originally envisaged processing facility and transport route will no longer be available as noted in Section 2.5. There is a risk that the POD Revision may not be approved by MEMR. There is also a risk that the POD Revision is not approved by MEMR on the terms requested by the Company in its POD Revision application, as summarised in Section 2.5(a)(vi), including the inclusion by SKK Migas of additional obligations and timeframes that may be less advantageous for the Company. Further, as noted in Section 2.5(a)(vi), the estimates of resource volumes, offtake rates and development scheme described in the Competent Person's Report for Duyung in Annexure D are linked to the proposed POD Revision, which remains subject to the approval of MEMR. Such estimates assume that the POD Revision will be approved by MEMR by the end of 2022. If MEMR does not approve the POD Revision by the end of 2022, then this may have a materially adverse impact on the Company's proposed development plan, business strategy, expected valuation, and future financial performance.

Based on the Oil and Gas Law and GR 35/2004, the initial POD must be progressed no later than five years after the POD is approved by MEMR (i.e., in 2024), otherwise the Duyung PSC will automatically terminate, and the contractors shall relinquish the related working area. It is expected that the five year timeline to complete and implement the development plan should reset and only start when the revised POD is approved by MEMR and SKK Migas.

Furthermore, any plan of development under Duyung requires the affirmative vote of two or more unrelated JOA Partners holding collectively at least 75% of the Participating Interests in Duyung, meaning the approval of Empyrean Energy plc or Coro Energy plc will be required in addition to the Company.

5. Key Risks Cont.

If SKK Migas or the Company's JOA Partners do not approve the POD Revision in accordance with the JOA, or if MEMR provides approval on terms and timeframes other than as requested by the Company in its POD Revision application, the Company would have to continue revision efforts and attempt to find a solution to the satisfaction of the JOA Partners, SKK Migas and MEMR.

The circumstances described above could have a material adverse impact on the Company's business strategy, prospects, operating and financial performance and viability of the Mako project under Duyung.

(b) Performance under the POD Revision

All companies are required to undertake activities, within certain timeframes, stipulated in plans of development. The Company will be required to undertake activities stipulated under a POD Revision for the Mako project approved by SKK Migas which includes drilling activities, construction activities (see further Section 2.5(a)(vi)) and annual monitoring reporting to SKK Migas. If the Company fails to meet its obligations under a POD, SKK Migas may review the POD approval and may issue a performance deficiency notice under the PSC to the Company. Upon receipt the performance deficiency notice, the Company shall have 120 days to remedy such deficiencies and should the Company still fails to remedy the deficiencies within 120 days or the parties failure to agree on extension of time in which the Company can remedy the deficiencies, the PSC. If SKK Migas terminates the PSC, then any such termination will have a materially adverse impact on the Company's business strategy, operating and financial performance and prospects.

(c) Encroachment into Other Licenced Working Areas

The Mako Gas Field under the Duyung PSC is contained in a broad, shallow and geographically extensive geological structure. In areas of the field where seismic data is sparse, the precise limit of the field becomes less well defined. There is a risk that third party operators demonstrate that the Mako Gas Field or other fields' limit encroaches into neighbouring working areas which are not held by the Company and/or that third party operators make unsubstantiated encroachment claims. This may result in the Company having to negotiate unitisation and associated unit operating arrangements. These risks may have an adverse impact on the size of resources, development, and timing, of the Mako Gas Field. These risks could have a materially adverse impact on the Company's business strategy, operating and financial performance, profitability, asset valuations, strategy and prospects.

(d) Obligation to offer 10% Participating Interest to Regional Government Owned Enterprise

Duyung covers a working area that is further than 12 nautical miles from the coastline such that the PSC is not subject to the requirement to offer 10% Participating Interest of the PSC to a regional government-owned enterprise (**BUMD**) or a state-owned company (**SOC**).

However, should the Government of Indonesia issue a specific policy or introduce legislation such that the requirement applies to Duyung, then it may have materially adverse impact on the operating and financial interest of the Company in Duyung and the potential value of Duyung attributable to the Company.

(e) Meeting the Local Content Variable Component in Duyung

As noted in Section 3.7(b), under Duyung the Company is entitled to an annual increased Variable Component production split for sourcing of its goods and services for Duyung from local suppliers, including employees, contractors and materials. The calculation of the Contractor's variable component is set out in the POD Revision and shall be adjusted to the actual local content upon commencement oil and gas production. The 3% Local Content Variable Component assumed herein is as per that determined in the POD Revision.

The ability of the Company to achieve such local content threshold depends on various commercial, logistical and operational factors, such as the availability of local staff, comparative costs, availability of local suppliers with requisite certifications, satisfactory materials and availability of requisite expertise. There is no guarantee that the Company will be able to achieve the 50% local content threshold for Duyung, and this may result in an adverse impact on the Company's future financial performance.

(f) Expiry and Extension of Exploration Period for OM

OM is in an exploration period which carries obligations on the Company to complete certain exploration activities, including drilling an exploration well, during this period (see further section 2.5(b)). The expiry of the exploration period for OM is currently 4 July 2023. If there is no commercial discovery before 4 July 2023, then the PSC will automatically terminate unless SKK Migas approves an additional three-year extension to the exploration period.

In the event further extensions to the term of OM are required, there is a risk that SKK Migas does not approve any such request for an extension or provides approval on disadvantageous terms or timeframes which may have an adverse impact on the Company's business, strategy, operating and financial performance, profitability, asset valuations and prospects.

Under the terms of the OM PSC, the drilling of a further exploration well was required to be completed by 15 May 2022 under the exploration work program for OM. The Company requested an extension of time from SKK Migas to complete this exploration work program commitment and a further extension of the exploration period of three years to expire on 15 May 2025. SKK Migas offered an extension until 4 July 2023 with the work program including the drilling of an exploration well. The company is currently negotiating with SKK Migas for an extension to 2025 that will include seismic data acquisition ahead of the exploration well. There is a risk that SKK Migas does not provide such an extension, in which case the Company may decide of its own accord to relinquish the PSC which may have an adverse impact on the Company's business and growth strategy, financial position and prospects.

(g) Converting Aceh JSAs into PSCs

The Company has conducted joint studies over the two Aceh JSAs (see further Section 2.5(d)). The Company is entitled to a right to match if MEMR conducts a tender for the working areas covered by the Aceh JSAs, over which Company completed joint studies, as PSC(s) for oil and gas working areas. The commencement and process of any tender process and award of the working areas, however, is entirely at the discretion of MEMR.

There is a risk that these JSAs are not converted into PSCs or that the Government of Indonesia (via MEMR) does not complete the tender for the working areas. Conrad believes that the working areas will be offered to the winning bidder on 6 October 2022. Conrad has submitted its bids. There is also a risk that third party bidders in a tender process submit a bid on terms which the Company is unwilling or unable to match. There is a risk that there will be no existing infrastructure into which gas from a development in these working areas can be transported. These scenarios may result in the Company failing to obtain new PSCs over the Aceh working areas which may have an adverse impact on the Company's business, strategy, operating and financial performance, profitability, asset valuations and prospects.

Participating Interests in the PSC's must be offered to Indonesian entities at certain junctures during the life of the PSC's. Following bid award, a 15% Participating Interest must be offered to Pertamina (on a business-to-business basis); subsequent to approval of the first Plan of Development in each block, a 10% carried interest must also be offered to Badan Usaha Milik Daerah (BUMD – a local government company). Either or both events could trigger a dilution in Conrad's interest in the PSCs.

5. Key Risks Cont.

5.3 General Risks to an Investment in Conrad

(a) Economic Risk and share market conditions may adversely affect the price of the Company's Shares

General economic conditions, movements in interest and inflation rates, the prevailing global natural gas and oil price and currency exchange rates may all have an adverse effect on the Company's exploration, development and production activities, as well as on its ability to fund those activities and may affect the price of the Company's Shares.

Further, share market conditions may affect the value of the Company's Shares regardless of the Company's operating performance. Share market conditions are affected by many factors such as:

- the general economic outlook;
- interest and inflation rates, commodity and oil and gas prices;
- changes to government fiscal, monetary or regulatory policies;
- changes in investor sentiment;
- business risks including risks related to climate change;
- the demand for, and supply of, capital; and
- terrorism or other hostilities.

These and other factors may cause the Company's Shares or CDIs to trade at prices below the Offer Price.

(b) Price of CDIs

As a listed entity, the Company will be subject to the general market risk and economic conditions (both domestically and internationally) that is inherent in all securities listed on a securities exchange. This may result in fluctuations in the share or CDI price that are not explained by the fundamental operational activities of the Company.

The price of the CDIs that are quoted on the ASX may increase or decrease due to a range of factors including those which are outside the Company's control. Factors which may affect the price of the CDIs include:

- the number of potential buyers or sellers of CDIs on the ASX at any given time;
- fluctuations in the domestic and international market for listed stocks;
- general economic conditions, including interest rates, inflation rates, exchange rates, credit conditions, unemployment rates, negative consumer and business sentiment, an increase in interest rates, commodity and petroleum prices, changes to government fiscal, monetary or regulatory policies, legislation or regulation;
- recommendations by brokers or analysts;
- inclusion in or removal from market indices;
- the nature of the markets in which Company operates; and
- general operational and business risks.

These factors may cause the CDIs to trade at prices below the price at which the CDIs are being offered under this Prospectus and may also affect the Company's ability to pay dividends. Further, and as summarised in Section 7.2, the CDIs will be listed on the ASX and priced in Australian dollars.

The Company is unable to forecast the market price for CDIs and they may trade on the ASX at a price that is below the Offer Price. There is no guarantee that the price of the CDIs will increase following the quotation on the ASX. Any decrease in the price of the CDIs may diminish Company's brand reputation, and ability to raise additional capital, all of which may limit Company's ability to execute its business plans including its growth strategy.

In addition to the potential impact on the price of the CDIs, these factors may also impact Company's business, operating and financial performance, and/or growth.

(c) Trading in CDIs may not be Liquid

Once the CDIs are quoted on the ASX, there can be no guarantee that an active market in the CDIs will develop or that the price of the CDIs will increase. There may be relatively few potential buyers or sellers of the CDIs on the ASX at any time. This may increase the volatility of the market price of the CDIs and may prevent investors from acquiring more CDIs. It may also affect the prevailing market price at which Shareholders are able to sell their CDIs. This may result in Shareholders receiving a market price for their CDIs that is less than the price that Shareholders paid.

On Completion, CDIs may be freely traded on the ASX. A significant sale of CDIs by a major shareholder, or the perception that such sale has occurred or might occur, could affect the price of CDIs.

These factors combined could affect the prevailing market price at which Shareholders are able to sell their CDIs.

(d) Acquisition and Shareholder Dilution

In the future, the Company may elect to issue CDIs to engage in fundraisings and also to fund, or raise proceeds, for acquisitions the Company may decide to make, whether in Indonesia or other jurisdictions, or for other strategic reasons both in its current or other markets. The successful implementation of acquisitions will depend on a range of factors including funding arrangements, cultural compatibility and operational integration. To the extent that any acquisitions are not successfully integrated with Company's existing business, the business, operating or financial performance of the Company could be adversely affected.

Shareholder interests may be diluted, and Shareholders may experience a diminution in value of their equity if the Company issues CDIs as consideration for acquisitions, if the Company funds acquisitions through raising equity capital by placing CDIs with new investors or if the Company engages in fundraisings for any other reason, including the repayment of debt.

(e) Australian Taxation

Tax laws in Australia are complex and are subject to change periodically, as is their interpretation by the courts and the tax revenue authorities. Significant reforms and current proposals for further reforms to Australian tax laws, as well as new and evolving interpretations of existing laws, give rise to uncertainty.

The precise scope of any new or proposed tax laws is not yet known. Any change to the taxation of CDIs (including the taxation of dividends) and the taxation of companies (including the existing rate of company income tax) may adversely impact on Shareholder returns, as may a change to the tax payable by Shareholders in general. Any other changes to Australian tax law, and practice that impacts the Company, or the Company's industry generally, could also have an adverse effect on Shareholder returns. Any past or future interpretation of the taxation laws by the Company, which is contrary to that of a revenue authority in Australia, may give rise to additional tax payable.

Additionally, the Company by virtue of the Group operating in other jurisdictions such as Singapore and Indonesia and having its functional currency in US dollars, is exposed to other jurisdiction specific taxation laws, which may prove onerous and complex. In order to minimise this risk, in areas of uncertainty, the Company obtains external expert advice on the application of the tax laws to its operations (as applicable). However, there is no certainty that the interpretations of tax revenue authorities will accord with that advice.

5. Key Risks Cont.

An investment in CDIs involves tax considerations which differ for each Shareholder dependent on their individual financial circumstances. Each prospective investor is encouraged to seek independent financial advice about the consequences of acquiring CDIs, pursuant to the Offer, from a taxation viewpoint and generally.

For further general information in respect of Australian tax, refer to Section 8.19. The Australian tax summaries discussed in this Prospectus are general in nature and do not take into account or anticipate any changes in law (by legislation or judicial decision) or any changes in the administrative practice or interpretation by the relevant authorities. If there is a change, including a change having retrospective effect, the Australian income tax, stamp duty and GST consequences should be reconsidered by Shareholders in light of the changes. The precise Australian tax implications of ownership or disposal of the CDIs will depend upon each Shareholder's specific circumstances.

We recommend Shareholders obtain independent advice on the Australian and foreign taxation implications of holding or disposing of CDIs, taking into account their specific circumstances as relevant.

To the maximum degree permitted by law, the Company, its officers and each of its respective advisers accept no liability or responsibility with respect to the taxation consequences of subscribing for CDIs under this Prospectus.

(f) Force Majeure Events

Events may occur within or outside Australia, Indonesia and Singapore that could impact upon these economies and the global economy, the operations of the Company and the price of the CDIs. These events include but are not limited to acts of terrorism, an outbreak of international hostilities, fires, floods, earthquakes, labour strikes, civil wars, natural disasters, outbreaks of disease or other man-made or natural events or occurrences that can have an adverse effect on the demand for the Company's goods and services and its ability to conduct business. COVID-19 and the consequences of a pandemic may trigger force majeure provisions in the Company's existing contracts, leading to delays or termination of contracts that the Company has on foot with suppliers, customers or contractors. The Company has only a limited ability to insure against some of these risks.

(g) COVID-19 and Future Pandemics

The outbreak of COVID-19 is having a material effect on global economic markets. The global economic outlook is facing uncertainty due to the pandemic, which has had and may continue to have a significant impact on capital markets and share price. As such, the Company's performance share price may be adversely affected by the economic uncertainty caused by COVID-19 or other pandemics.

Further, any such measures to limit the transmission of any virus implemented by governments around the world may adversely impact the Company's operations. These include increasing the number of employees that may need to work from home. This may have an impact on productivity and Company's business, operating and financial performance. Additionally, restrictions on supply chains and international travel may result in delays and increased costs for both the Company and its contractors and suppliers and the potential the Company, its contractors and suppliers may be required to shut down operations or activities for a period of time which could result in the Company experiencing adverse financial and operational impacts.

(h) Speculative Nature of Investment

An investment in the Company should be considered speculative because of the nature of the Company's business. There are numerous risk factors involved. Some of these risks can be mitigated by the use of safeguards and appropriate systems and controls, but some are outside the control of the Company and cannot be mitigated. Accordingly, an investment in the Company carries no guarantee with respect to the payment of dividends, return of capital or price at which CDIs will trade.

(i) No Guarantee in Respect of Investment

The above risks, and others not specifically referred to above, may materially affect the financial performance of the Company, its assets and the value of the CDIs under the Offer. The CDIs issued under the Offer carry no guarantee in respect of profitability, dividends, return of capital or the price at which they may trade on the ASX. Furthermore, there is no guarantee that the CDIs will remain continuously quoted on the ASX, which could impact the ability of prospective Shareholders to sell their CDIs.



6. Key People, Interests and Benefits

6. Key People, Interests and Benefits

6.1 Board of Directors

At the time of Listing, the Board comprises 6 members: 2 Executive Directors and 4 Non-Executive Directors. The Board has a broad range of experience in the energy sector, including petroleum and gas exploration and production, as well as financial, management and corporate governance experience. A biography of each Director is set out below.

Each Director has confirmed to the Company that they anticipate being available to perform their duties as a Non-Executive Director or Executive Director (and employee) (as the case may be) of the Company without constraint from other commitments.

The composition of Conrad's Board Committees and details of the key corporate governance policies, including Directors' independence is in Section 6.19.

Director & Experience



Peter Botten

Non-Executive Chairman

Peter has extensive worldwide experience in the oil and gas industry, having held various senior technical, managerial and board positions in a number of listed and government-owned bodies. Peter is currently the Chairman of AGL Energy Limited (ASX: AGL), Australia's largest energy retailer. Previously, Peter was Managing Director of Oil Search Limited, overseeing its development into a major ASX-listed company from 1994 until 2020.

Peter's current directorships include: Director of Karoon Energy Limited (ASX: KAR) (commenced 1 October 2020), Non-Executive Director of Aurelia Minerals Limited (ASX: AMI) (commenced 13 September 2021), Council Member of the Australia PNG Business Council, Chairman of the Oil Search Foundation, Hela Provincial Health Authority, and the National Football Stadium Trust in Papua New Guinea.



Miltos Xynogalas

Managing Director

Miltos is a Geoscientist with over 30 years of upstream experience with at least half of it gained in Indonesia. Prior to founding Conrad, Miltos worked for Shell International, Premier Oil and Transworld Oil in various roles ranging from technical and operational to supervisory and managerial.

The main focus of his career has been exploration and development projects and more recently business development, particularly in Indonesia. During his career, Miltos has been involved in major discoveries in Southeast and West Africa.



David Johnson

Executive Director

David is a Geoscientist and General Manager with 41 years E&P experience in international oil & gas and across the full spectrum of upstream activities: exploration, development, production, business development & decommissioning.

David has worked in Australia, the Asia-Pacific and the Middle East with BP, Shell, Woodside, Mubadala Petroleum & Ophir Energy/Medco Energi and a decommissioning consultancy. His career has focused on project appraisal, development and production.

6. Key People, Interests and Benefits Cont.

Director & Experience



Jeremy Brest

Non-Executive Director

Jeremy has been the managing director of Framework Capital Solutions, a Singapore boutique corporate finance advisory focused on structured private transactions, for more than 15 years. Since founding Framework Capital Solutions, Jeremy has served as sole financial advisor on debt restructurings, private credit transactions, and M&A transactions around the world. In addition to serving on the board of Conrad, Jeremy is a director of Pantheon Resources Plc, an AIM-listed company with 100% working interests in several oil projects on the Alaskan North Slope.

Prior to founding Framework Capital Solutions, Jeremy worked at Goldman Sachs in New York, Hong Kong, and Tokyo, and led the Indonesian credit structuring team for Credit Suisse in the wake of the Asian financial crisis.



Paul Bernard

Non-Executive Director

Paul is a retired Goldman Sachs partner and private investor. During his 19-year career at Goldman Sachs, Paul was a top-rated Asian energy and chemicals analyst as well as co-Director of Asia Pacific Investment Research. He is a CFA charter holder. Paul was a member of the firm's Asia Management Committee and its first Chairman of Diversity for Asia. Since retiring from Goldman Sachs, Paul has been an early-stage investor in and advisor to a number of companies.

Paul's current directorships include Biotech Acquisition Co, Sandbox International Holdings Ltd, Sandbox Edutainment Holdings Ltd, Carbon Recycled Energy and TTS Advisors Pte Ltd.



Mario Traviati

Non-Executive Director

Mario has close to four decades of experience in working, analysing and investing in energy projects around the world. He currently holds the role of Advisor to the Board – Corporate Development at Pantheon Resources (London AIM listed company). Previously, he was the Founding Partner and Vice President of Business Development for Great Bear Petroleum which operates oil and gas properties on the North Slope of Alaska.

Mario was the first Vice President – Head of Energy Research Asia-Pacific at Merrill Lynch Inc., where he supervised Merrill Lynch's research efforts throughout 10 countries in Asia-Pacific covering the oil and gas; utilities; refining and marketing and petrochemicals sectors.

Prior to Merrill Lynch, Mario served as Director of Energy Research at HSBC Securities, and as a Senior Energy Analyst with ANZ Securities.

Mario began his oil and gas career working in exploration with Woodside Petroleum.

6.2 Executive Leadership Team

Employee & Experience

Miltos Xynogalas

Managing Director and CEO

Refer to Section 6.1.

David Johnson

COO

Refer to Section 6.1.

Jusuf H. Rachmantio

General Manager Jakarta Office

Jusuf has seventeen years' experience in the Indonesian oil and gas industry. He co-founded Mitra Energia, Ltd in 2004 and in 2006 injected its Indonesian assets into AIM-listed Sound Oil Plc. Jusuf became Executive Director on the Board and was in charge of the Indonesian Office until 2012. In 2013, he established Arctic Bay Ventures which acquired 5 oil and gas assets from Samudra Energy. He holds a BSc in Materials Engineering.

Patricia Lee

Head of Finance

Patricia has more than 23 years of financial experience, which includes 14 years in the oil and gas industry with Premier Oil and Mandala Energy. Patricia's role includes managing Conrad's financial reporting, budgeting and forecasting, and is involved with liaising with both the internal and external stakeholders (i.e. senior management of Conrad, auditors, tax agents, the Company Secretary, and local authorities). Patricia holds an ACCA (Association of Chartered Certified Accountants) in Accountancy and is a member of the Institute of Certified Public Accountants of Singapore.

Egbert Siagian

Support Services/Legal Manager

Egbert has 31 years' experience working for various major oil and gas companies in Indonesia including China National Offshore Oil Company holding senior positions in legal, audit, human resources, contracts, and supply chain management. Egbert has a degree in mechanical engineering as well as business law.

Brad Kirk

Project Advisor

Brad has 33 years of experience delivering projects for exploration and production companies such as Chevron, Mubadala Petroleum, Mandala Energy and design consultancies such as Worley and Technip. He has worked for 21 years in Southeast Asia, predominantly in Indonesia and Thailand. He is a qualified mechanical engineer, and has experience in concept development projects, through to project delivery and handover.

6. Key People, Interests and Benefits Cont.

Employee & Experience

Steve Hall

Drilling Advisor

Steve has 40 years' experience as a Drilling Manager, Superintendent and Senior Drilling Engineer. He has drilled more than 40 wells in onshore and offshore Indonesia and several hundred wells in Canada, the United States, Oman, the United Arab Emirates and New Zealand. He has managed the drilling of several large projects from the exploration phase through to field development and production. He holds a BSc in Chemical Engineering from the University of Waterloo, Canada.

Tony Taylor

Commercial Manager

Tony is a gas contracting and market regulation specialist with over 35 years' experience. He has worked in the United Kingdom, Spain, Germany, Belgium, Italy, Singapore, Malaysia, Indonesia, Thailand and Vietnam. Tony is highly experienced in all facets of the gas procurement and commercialisation specialising in the negotiation of sale and purchase agreements and gas sales agreements for the monetisation of gas resources.

6.3 Company Secretary and Australian Local Agent

Conrad's current company secretary in Singapore is Boardroom Corporate & Advisory Services Pte. Ltd.

The Company has engaged CoSec Services Pty Ltd to act as local agent in Australia and ASX contact. Elissa Hansen will be the person within the CoSec Services Pty Ltd who will have primary responsibility for the provision of services by CoSec Services Pty Ltd to Conrad. CoSec Services Pty Ltd will provide Conrad with company secretarial services in Australia, such as drafting of ASX announcements, corporate compliance assistance, co-ordination of shareholder meetings, and preparation of Annual General Meeting Notices and will act as the Company's contact person for ASX.

6.4 Interests and Benefits

This Section 6 sets out the nature and extent of the interests and fees of certain persons involved in the Offer. Other than as set out below or elsewhere in this Prospectus, no:

- (a) Director or proposed Director;
- (b) person named in this Prospectus and who has performed a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus;
- (c) promoter of Conrad; or
- (d) underwriter to the Offer or financial services licensee named in this Prospectus as a financial services licensee involved in the Offer,

holds as at the Prospectus Date, or has held in the two years before the Prospectus Date, an interest in:

- (e) the formation or promotion of Conrad;
- (f) property acquired or proposed to be acquired by Conrad in connection with its formation or promotion or in connection with the Offer; or
- (g) the Offer,

and no amount (whether in cash, CDIs or otherwise) has been paid or agreed to be paid, nor has any benefit been given or agreed to be given, to any such person for services in connection with the formation or promotion of Conrad or the Offer, or to any Director or proposed Director to induce them to become, or qualify as, a Director or proposed Director of Conrad.

6.5 Interests and Remuneration

(a) Executive Directors

(i) Managing Director and Chief Executive Officer

Miltos Xynogalas is employed as Managing Director and Chief Executive Officer of the Company.

Pursuant to a Letter of Appointment, Miltos' remuneration currently includes a monthly base salary of US\$40,000 per month and such salary may be reviewed from time to time by Conrad. Miltos is eligible for a discretionary annual bonus to be determined in the sole and absolute discretion of Conrad and he is also eligible to participate in the Company's New Incentive Plan.

Either Miltos or the Company may terminate Miltos' employment for any reason with 3 months written notice or payment of 3 months' salary in-lieu of notice. Notwithstanding this, Miltos' employment may be terminated immediately by the Company without notice if certain events occur including, if Miltos flagrantly or persistently fails to observe and perform the duties and responsibilities imposed by the letter or at law, failing to comply with the lawful resolutions or directions of the Board and refusing to attend to the business of the Company without reasonable cause.

(ii) Executive Director and Chief Operating Officer

The Company has entered into a personal services agreement (**PSA**) with J.S.T. Services CO., Ltd. (**JST**), a Thailand incorporated company controlled by David, under which JST provides certain services to the Company.

David will be the person within JST who will have primary responsibility for the provision of services by JST to the Company under the PSA.

Under the PSA, David is engaged by the Company as Executive Director and Chief Operating Officer. David's scope of duties and responsibilities include working with the Board in the provision of sufficient resources to safeguard the financial performance and health of the Company, working with the CEO to ensure that the Company conducts its activities in accordance with the terms of the PSCs and all applicable legislation and regulatory requirements, setting the future corporate direction of the Company and leading the provision of efficient delivery of logistical services. David will also work with the CEO in preparing a 5 year business plan, and the formulation of annual 1 year work programmes and budgets, and quarterly updates.

David is not permitted, whilst he is employed by the Company, to hold any other employment, directorship or occupation without the prior written consent of the Company.

David is entitled to a gross monthly remuneration of US\$30,000 per month and such monthly remuneration may be reviewed from time to time by Conrad. David is also eligible to participate in the New Incentive Plan. David is also eligible for a discretionary annual bonus which is determined in the sole discretion of the Company, so long as he is assigned to the Company on the relevant payment dates of the discretionary annual bonus, and must not have, at such relevant payment date, given or received a notice of termination of employment.

Either David or Conrad may terminate David's services on 3 months' written notice or payment of 3 months' salary in-lieu of notice without any reason or compensation. Notwithstanding this, David's services may be terminated immediately by the Company without notice if certain events occur including, if David flagrantly or persistently fails to observe and perform the duties and responsibilities imposed by the letter or at law, failing to comply with the lawful resolutions or directions of the Board and refusing to attend to the business of the Company without reasonable cause.

6. Key People, Interests and Benefits Cont.

The Company may terminate the PSA with or without notice or any payment in lieu, if:

- JST and/or David commits a serious or persistent breach of the terms of the PSA;
- JST and/or David is guilty of gross misconduct or negligence in connection with the provision of the services under the PSA;
- JST and/or David does anything which the Company believes is likely to bring it or any member of the Group into disrepute; and/or
- JST and/or David is convicted of a criminal offence, David becomes of unsound mind, or JST and/or David commences insolvency or bankruptcy proceedings.

(iii) Chief Financial Officer services

Conrad has entered into an agreement with Traverse Accountants dated 29 March 2022 pursuant to which Traverse Accountants is engaged to provide Chief Financial Officer services in connection with the development of the ongoing and future business of Conrad, including providing corporate compliance services, tax advisory services and corporate financial support (**CFO Agreement**) and to support Conrad's Head of Finance, Ms Patricia Lee.

This agreement is a contract for services and is not an employment agreement. Traverse Accountants will be paid additional fees for these services, calculated on an hourly basis at commercial rates.

Either Traverse Accountants or Conrad may terminate the CFO Agreement at any time and for any reason within 10 business days' written notice.

The CFO Agreement otherwise contains terms and conditions which are considered standard for an agreement of its nature, including those relating to confidentiality and privacy.

(iv) Other Executive Leadership Team members

The following applies to members of the Executive Leadership Team, other than the CEO and COO whose arrangements are described Sections 6.5(a)(i) and 6.5(a)(ii).

Other members of the Executive Leadership Team have employment arrangements (including offer letters or contracts of employment) with Conrad. Remuneration packages include a total fixed remuneration component (including base salary and any statutorily required superannuation or benefits), and generally also include the potential to earn incentives in the form of awards under the New Incentive Plan based on time and/or performance targets set from time to time by the Board.

The employment agreement of the other members of the Executive Leadership Team may be terminated by Conrad or the employee by giving the other party 4 weeks' notice.

(b) Non-Executive Directors

Non-executive Directors are to be paid or provided remuneration for services provided to Conrad on terms decided by the Board. On Completion, Director remuneration will be as follows (inclusive of superannuation where applicable):

Director	Annual Directors' Fees
Peter Botten	US\$135,000
Jeremy Brest ¹	US\$72,000
Paul Bernard	US\$72,000
Mario Traviati	US\$72,000

Note:

1. Jeremy Brest's annual Director's fees are payable to Framework Capital Solutions Pte. Ltd. (**Framework**), an entity controlled by Jeremy Brest, pursuant to an engagement letter between Framework and the Company.

Miltos Xynogalas and David Johnson, being executive Directors, will not receive fees for being members of Board committees, whilst employees of the Company.

Under the ASX Listing Rules, the total amount or value of remuneration paid to Non-Executive Directors may not exceed the amount approved at Conrad's general meeting. This amount is currently fixed at US\$500,000 (approximately A\$690,000) per annum and is expected to allow for the appointment of independent, non-executive Directors in the future if considered appropriate by the Board. Any increase to the aggregate amount paid in fees to non-executive Directors must be approved at a Conrad general meeting.

Non-executive Directors are entitled to participate in the New Incentive Plan, but will not be eligible to receive any performance-based awards (see Section 6.12), subject to receiving necessary ASX and shareholder approvals, as applicable.

6.6 Non-Executive Directors Appointment Letters

Each of the Non-Executive Directors has entered into appointment letters with Conrad, confirming the terms of their appointment, roles and responsibilities and Conrad's expectations of them as Directors.

Non-Executive Directors may resign at any time, by giving notice to the Company. They will also cease to be a Director if they are not re-elected at the annual general meeting, or if any of the disqualifying events prescribed in the Constitution (and its ancillary documents) or as prescribed by law occur.

6.7 Directors' disclosures

Each Director has confirmed to the Company that they anticipate being available to perform their duties as a Director without constraint from other commitments. The Directors will continually evaluate their other commitments, including the number of boards on which they serve and any potential or actual conflicts of interest, to ensure that proper time and attention is given to their appointment, and role, as a Director.

Directors may have business interests other than those of the Company, and are expected to declare any conflict (or potential conflict) of interest or material personal interests at appointment, or as soon as apparent. The conflict (or potential conflict) of interest or material personal interest may require them to not be present at a Board or Board Committee meeting or vote on a matter which concerns the conflict or material personal interest.

No Director has been the subject of any disciplinary action, criminal conviction, personal bankruptcy or disqualification in Australia or elsewhere in the last 10 years which is relevant or material to the performance of their duties as a Director, or which is relevant to an investor's decision as to whether to subscribe for Shares.

No Director has been an officer of a company that has entered into any form of external administration as a result of insolvency during the time that they were an officer or within a 12 month period after they ceased to be an officer.

6.8 Indemnity arrangements

Under its Constitution, Conrad shall, out of Conrad's assets, indemnify every Director and other officer for the time being of Conrad against all costs, charges, losses, expenses and liabilities incurred or to be incurred by that arise from the execution of his duties as an officer of Conrad, to the extent permitted by law.

Conrad has entered into indemnity arrangements with each of its Directors. Under these arrangements, Conrad agrees to indemnify each Director against liabilities arising out of the Director's past or future acceptance of, and continued appointment as, a Director of the Company, subject to such limitations as set out in the indemnity arrangements.

6. Key People, Interests and Benefits Cont.

Under the indemnity arrangements, the indemnity granted by Conrad shall not extend to any liability incurred by a Director:

- to Conrad;
- to pay a fine imposed in criminal proceedings;
- to pay a sum payable to a regulatory authority by way of a penalty in respect of non-compliance with any requirement of a regulatory nature (however arising);
- in defending any criminal proceedings in which the Director is convicted, where such conviction is final;
- in defending any civil proceedings brought by Conrad or a related company in which judgment is given against the Director, where such judgment is final; or
- in connection with any application under section 76A(13) of the Singapore Companies Act (court's power to grant relief in case of acquisition of company's own shares by innocent party) or section 391 of the Singapore Companies Act (general power to grant relief in case of honest and reasonable conduct) where the court refuses to grant the Officer relief, and such refusal is or becomes final.

Conrad's indemnity under the indemnity arrangements also shall not apply:

- to the extent that it is not permitted by, or consistent with, law or statute from time to time in force, the Constitution or the rules, regulations or codes of any regulatory or other body or any ASX Listing Rules from time to time in force;
- to the extent that the Director has been, or is entitled to be, indemnified or reimbursed by any directors' or officers' liability insurance purchased and maintained by Conrad or any other insurance;
- to any demands, claims, costs, charges, losses, liabilities or expenses made against or incurred by the Director if and to the extent that such demands, claims, costs, charges, losses, liabilities or expenses are attributable to any fraudulent or dishonest act or any fraudulent or dishonest omission on the part of the Director or any other act of omission which the Director commits knowingly or in the knowledge that the same is wrongful or improper, and where there has been gross negligence, or wilful default by the Director; or
- where the Director has improperly derived a personal benefit or profit.

6.9 Other Information about Directors Interests and Benefits

Directors may also be reimbursed for travel and other expenses reasonably incurred in attending to the Conrad's affairs. Non-Executive Directors may be paid additional or special remuneration as the Directors decide is appropriate, where a Non-Executive Director performs extra work or services which are not in their capacity as Non-Executive Director of Conrad or a subsidiary of Conrad. These amounts are in addition to the fees set out in Section 6.5. There are no retirement benefit schemes for Directors.

6.10 Directors' Interests in Conrad

The Directors are not required under the Constitution to hold any Shares (including CDIs) under the Constitution.

It is expected that the following Directors will personally (or through entities with which they are associated) hold the following CDIs, Warrants and Share Rights on Completion.

Figure 6.10.1: Directors' interests on Completion

Director	CDIs ¹	Share Rights ²	Options ²	Loan Warrants ³	SAFE Warrants ⁴
Miltos Xynogalas ⁵	15,322,288	160,000	400,000	135,384	–
Mario Traviati ⁶	11,587,007	476,920	320,000	769,008	63,876
Paul Bernard ⁷	4,400,624	663,848	320,000	643,448	–
Jeremy Brest ⁸	4,277,813	663,848	320,000	595,552	102,371
David Johnson	1,081,840	560,000	400,000	–	–
Peter Botten ⁹	443,077	480,000	–	–	221,539
Total	37,112,649	3,004,616	1,760,000	2,143,392	387,786

Notes:

1. Shares held by Directors on Completion will be represented by CDIs. The above numbers of CDIs held at Completion by each of the Directors do not include any CDIs that each of the Directors may apply for and acquire under the Offer.
2. Details of Share Rights and Options granted to certain directors and employees of the Company are described in Section 6.13 and will be issued on 25 September 2022.
3. Details of Loan Warrants held by certain directors, employees and other existing investors are described in Section 6.14.
4. Details of SAFE Warrants to be issued to certain directors, employees and other investors immediately prior to Completion are described in Section 6.16.
5. Miltos holds direct interests in Shares/CDIs and indirect interests in Shares/CDIs through Giant Green Resources Ltd, an entity that Miltos controls.
6. Mario holds direct interests in Shares/CDIs and indirect interests in Shares/CDIs through Farsighted Limited, an entity that Mario controls.
7. Paul Bernard holds direct interests in Shares/CDIs and indirect interests in Shares/CDIs as a trustee and beneficiary of the Holland Park Investments Trust.
8. Jeremy Brest holds indirect interests in Shares/CDIs through Westman Management Limited, an entity that Jeremy controls.
9. Peter Botten holds indirect interests in Shares/CDIs through Maitland Park Holdings Pty Ltd, an entity that Peter controls.

Directors are entitled to apply for CDIs under the Offer. Final Directors' shareholdings will be notified to the ASX following Completion.

6. Key People, Interests and Benefits Cont.

6.11 Interests in securities of existing and new investors

Details of interests in securities in Conrad of key investor types at the Prospectus Date (in CDI equivalents at the Offer Price) and as expected on Completion, are set out in Figures 6.11.1 and 6.11.2 below.

Figure 6.11.1: Securityholdings as at Prospectus Date and Completion (Before accepting Oversubscriptions)

Shareholder	Before accepting Oversubscriptions (A\$45 million)									
	Prospectus Date			After Prospectus Date but prior to Completion		Immediately prior to Completion		Completion		
	Shares ¹		Loan Warrants ²	Share rights ³	Options ³	SAFE Warrants ⁴	CDIs issued under SAFE ⁵	CDIs	Fully diluted ⁶	
	#	% ¹⁰	#	#	#	#	#	#	%	%
Inspired International Limited	18,125,656	14%	1,002,232	-	-	-	-	18,125,656	11%	11%
Transworld Oil Inc.	14,400,000	11%	-	-	-	-	-	14,400,000	9%	8%
Miltos Xynogalas ⁷	15,322,288	12%	135,384	160,000	400,000	-	-	15,322,288	10%	9%
Mario Traviati ⁸	11,459,256	9%	769,008	476,920	320,000	63,876	127,751	11,587,007	7%	8%
David Johnson	1,081,840	1%	-	560,000	400,000	-	-	1,081,840	1%	1%
Other Board ⁹	8,473,696	7%	1,239,000	1,807,696	640,000	345,449	690,895	9,164,591	6%	8%
Other Executive Leadership Team	-	0%	-	-	-	-	-	-	0%	0%
Other employees	699,424	1%	60,640	400,000	-	-	-	699,424	0%	1%
Other existing Shareholders	52,861,048	41%	3,562,968	440,000	320,000	2,667,617	5,335,217	58,196,265	37%	37%
Investors in the Offer	-	0%	-	-	-	-	-	30,821,917	19%	18%
Total	122,423,208	95%	6,769,232	3,844,616	2,080,000	3,076,942	6,153,863	159,398,988	100%	100%

**Figure 6.11.2: Securityholdings as at Prospectus Date and Completion
(Assuming all Oversubscriptions are accepted)**

Assuming all Oversubscriptions are accepted (A\$55 million)										
Shareholder	Prospectus Date		After Prospectus Date but prior to Completion			Immediately prior to Completion		Completion		
	Shares ¹	Loan Warrants ²	Share rights ³	Options ³	SAFE Warrants ⁴	CDIs issued under SAFE ⁵	CDIs	Fully diluted ⁶		
	#	% ¹⁰	#	#	#	#	#	#	%	%
Inspired International Limited	18,125,656	14%	1,002,232	-	-	-	-	18,125,656	11%	11%
Transworld Oil Inc.	14,400,000	11%	-	-	-	-	-	14,400,000	9%	8%
Miltos Xynogalas ⁷	15,322,288	12%	135,384	160,000	400,000	-	-	15,322,288	9%	9%
Mario Traviati ⁸	11,459,256	9%	769,008	476,920	320,000	63,876	127,751	11,587,007	7%	7%
David Johnson	1,081,840	1%	-	560,000	400,000	-	-	1,081,840	1%	1%
Other Board ⁹	8,473,696	7%	1,239,000	1,807,696	640,000	345,449	690,895	9,164,591	6%	7%
Other Executive Leadership Team	-	0%	-	-	-	-	-	-	0%	0%
Other employees	699,424	1%	60,640	400,000	-	-	-	699,424	0%	1%
Other existing Shareholders	52,861,048	41%	3,562,968	440,000	320,000	2,667,617	5,335,217	58,196,265	35%	36%
Investors in the Offer	-	0%	-	-	-	-	-	37,671,232	23%	21%
Total	122,423,208	95%	6,769,232	3,844,616	2,080,000	3,076,942	6,153,863	166,248,303	100%	100%

Notes (as they apply to both Figures 6.11.1 and 6.11.2):

1. These are the Shares held on the Prospectus Date. Retained interests in Shares on Completion will be held as CDIs.
2. Details of Loan Warrants held by certain directors, employees and other existing investors are described in Section 6.14.
3. Details of Share Rights and Options granted to certain directors and employees of the Company are described in Section 6.13 and will be issued on 25 September 2022.
4. Details of SAFE Warrants to be issued to certain directors, employees and other investors immediately prior to Completion are described in Section 6.16.
5. CDIs will be issued under a SAFE to certain investors immediately prior to Completion. Details of the SAFE are described in Section 6.15.
6. Fully diluted refers to the total number of CDIs, Share Rights, Options, Loan Warrants and SAFE Warrants on issue on Completion.
7. Miltos holds direct interests in Shares/CDIs and indirect interests in Shares/CDIs through Giant Green Resources Ltd, an entity that Miltos controls.
8. Mario holds direct interests in Shares/CDIs and indirect interests in Shares/CDIs through Farsighted Limited, an entity that Mario controls.
9. Shares/CDIs held by Directors other than Mario Traviati, Miltos Xynogalas and David Johnson are outlined in Section 6.10.
10. Includes the conversion of SAFE into Shares/CDIs.

6. Key People, Interests and Benefits Cont.

6.12 Incentive arrangements to apply from Completion

Conrad has adopted the New Incentive Plan that took effect from 14 June 2022 which provides the framework under which individual grants of equity or equity-based incentive awards (or **Awards**) may be made to Directors and employees of Conrad and its subsidiaries (including members of the Executive Leadership Team) and any other person who the Board deems eligible to be granted an award (including any consultant, adviser or independent contractor of Conrad and its subsidiaries). The New Incentive Plan has been designed to allow the Board to grant Awards to attract and retain talent, and to align the interests of its Directors and employees with those of the Company.

Term	Description
Administration	The New Incentive Plan will be administered by the Board.
Eligibility	Full-time and part-time employees and Executive and Non-Executive Directors of Conrad (or a subsidiary of Conrad) and any other person who the Board deems eligible to be granted an Award (including any consultant, adviser or independent contractor of Conrad and its subsidiaries) are eligible to receive Awards under the New Incentive Plan. The Board will select eligible participants to whom Awards are to be granted from time to time.
Awards	<p>The New Incentive Plan provides Conrad with flexibility to grant the following types of Awards:</p> <ul style="list-style-type: none"> • options to subscribe for CDIs (Options); • rights to be paid a CDI or a cash amount determined by the price of CDIs at a specified time or the movement in price over a period of time (Incentive Rights); • ability to subscribe for CDIs that are subject to restrictions, including on transfer, until specified conditions are satisfied (Restricted Shares); or • rights to receive CDIs or cash, based on specified performance factors (Performance Rights).
CDIs	<p>CDIs issuable under the New Incentive Plan may be from authorised and unissued Shares, Shares held in treasury by Conrad and/or Shares purchased by Conrad on the open market or by an off-market private purchase.</p> <p>The maximum number of CDIs that may be issued under the New Incentive Plan will be equal to 8,312,415 of CDIs or 5% of the Company's share capital on Completion subject to any adjustments for changes to the Company's issued capital, capital reorganisations or any other corporate action as determined by the Board.</p>
Conditions	<p>The Board will determine the terms and conditions of each Award, including:</p> <ul style="list-style-type: none"> • the type of Award; • the number or value of CDIs or other consideration subject to the Award; • if the Award is an Option, the exercise price of the Option, or if it is any other type; • of Award, the purchase price (if any) payable for the CDIs under the Award; and • any vesting conditions, including service and/or performance conditions. <p>The terms and conditions of each Award will be set out in an Award agreement.</p>

Term	Description
Exercise price or purchase price	<p>The exercise price or purchase price will be determined by the Board.</p> <p>The exercise price or purchase price or strike price will not be less than 100% of the fair market value of CDIs on the grant date and will be determined by the Board.</p>
Vesting and exercise	<p>Options will vest and become exercisable when the applicable vesting conditions and any additional terms specified in the Award agreement have been satisfied.</p> <p>Incentive Rights and Performance Rights will vest and be settled by the delivery of CDIs (or, where applicable, cash) when the applicable vesting or performance conditions and any additional terms specified in the Award agreement have been satisfied.</p> <p>Restricted Shares will cease to be restricted when the applicable vesting conditions and any additional terms specified in the Award agreement have been satisfied in accordance with the Award agreement.</p> <p>Vesting occurs upon Conrad notifying the participant that an Option, Incentive Right or Performance Right has vested or the Share is no longer a Restricted Share.</p>
Lapsing and forfeiture	<p>An Option will lapse on the date specified in the Award agreement (or three years after vesting if not specified), or any earlier date specified in the Award agreement (for example, upon failure to satisfy a vesting condition), or upon receipt by Conrad of a notice from a participant of his or her election to surrender the Option. All Options, whether vested or unvested, shall expire on the tenth anniversary of the date of grant of the Option, unless such Options expire earlier as provided in the New Incentive Plan or in the Award agreement.</p> <p>Restricted Shares will become subject to forfeiture or compulsory transfer, and Incentive Rights and Performance Rights will lapse, on the occurrence of a date or circumstance specified in the Award agreement, or any earlier date specified in the Award agreement (for example, upon failure to satisfy a vesting or performance condition), or upon receipt by Conrad of a notice from a participant of his or her election to surrender the Restricted Share, Incentive Right or Performance Right (as the case may be).</p>
Dealing restrictions	<p>A participant may not, and may not attempt to, assign, alienate, pledge, attach, sell, trust, encumber, swap, alienate all or any part of, or enter into any arrangement that operate to limit the economic risk of holding the Award, or otherwise transfer (Deal) an Award in any manner, other than as required by law and is permitted (or is not prohibited) by Conrad's Securities Trading Policy.</p> <p>The Board may, at its discretion, impose a restriction on Dealing with Shares allocated to a participant on exercise of an Option or vesting of a Performance Right.</p>

6. Key People, Interests and Benefits Cont.

Term	Description
Cessation or change of employment	<p>The Board may specify in the terms of an Award agreement or make a determination at any time as to how a participant's Awards will be treated on the occurrence of cessation of employment of the employee. Applicable treatment may include:</p> <ul style="list-style-type: none"> • vesting on the cessation date; • Options only being exercisable within a specified period following the cessation date; and/or • lapse or forfeiture of the Awards on or following the cessation date.
Change of control	<p>Where there is a change of control event (for example, a takeover bid, scheme of arrangement, merger or any other transaction or event that in the Board's opinion is a change of control event), the Board may determine, subject to the ASX Listing Rules, with respect to each award, that:</p> <ul style="list-style-type: none"> • all or a specified number of a participant's Awards, to the extent not fully vested, will become vested and exercisable in full or in part; • all or a specified number of a participant's Options may be exercised within a specific period only, otherwise they will lapse; • disposal restrictions or any other terms which apply to the Awards or Shares allocated to a participant upon the vesting of a Performance Right or exercise of an Option cease to apply; or • Conrad, on behalf of the employee, will direct the trustee to transfer trust shares into the employee's name.
Award adjustments	<p>In order to minimise material advantage or disadvantage to a participant resulting from a variation in the Company's issued capital, before the delivery of CDIs or payment to a participant, the Board may, subject to the ASX Listing Rules, appropriately and proportionately adjust the exercise price and/or number and/or class of CDIs subject to each outstanding Option or Award, provided that the exercise price or strike price of any CDI may not be less than the nominal value of a CDI, and a fraction of a CDI will not be issued.</p>
Amendments	<p>The Board may amend or supplement the New Incentive Plan at any time, except, however where the amendment adversely affects the existing rights of participants in respect of any granted Awards (in which case the consent of more than 50% of those affected participants must be obtained), provided that the Board may make such amendments without obtaining consent from any participant if the Board considers it necessary or desirable to comply with changes in legislation or regulatory requirement, to correct manifest errors or mistakes, or to take into consideration possible adverse tax implications in respect of the New Incentive Plan arising from adverse tax rulings, changes to tax legislation or in the interpretation of tax legislation of a court of competent jurisdiction.</p>
ASX Listing Rules	<p>The New Incentive Plan and Awards made under it are always subject to the ASX Listing Rules and any applicable laws, as applicable from time to time.</p>

6.13 Options and Share Rights

As at the Prospectus Date, Conrad intends to issue the following securities prior to the date of Completion:

- 2,080,000 Options which were granted pursuant to the New Incentive Plan; and
- 3,844,616 share rights which were granted pursuant to the New Incentive Plan (**Share Rights**),

each over one Share (or CDI).

Key terms of the Options that Conrad will issue under the New Incentive Plan are set out in the table below.

Term	Description
Grant date	The Options will be issued on 25 September 2022.
Expiry date	Options will expire at 5.00pm (Singapore time) on the date that is 5 years from the grant date on 25 September 2027.
Exercise price or purchase price	The exercise price of the Options is US\$0.81. Options are only exercisable when applicable vesting conditions are met.
Vesting conditions	<p>For Mario Traviati, Paul Bernard and Jeremy Brest, their Options will vest in three equal tranches on the three anniversaries following the date of issue of the Options, being:</p> <ul style="list-style-type: none"> • 320,000 on 25 September 2023; • 320,000 on 25 September 2024; and • 320,000 on 25 September 2025. <p>For Miltos Xynogalas and David Johnson, their Options will be eligible for vesting no earlier than on 25 September 2024, which is 2 years from the date of the grant of the Options and only once the following performance-based vesting conditions being met:</p> <ul style="list-style-type: none"> • one-third of the Options will vest upon Conrad (or through WNEL) signing a binding GSA in respect of the Mako project on terms no less favourable than the below: <ul style="list-style-type: none"> – counterparty must be a credit worthy buyer (e.g. S&P credit rating of equal to or greater than A-); – the GSA will be for the purchase of a volume of 50% or greater of the total Mako 2C Contingent Resources of 413 Bcf; and – pricing of the GSA will be consistent with publicly available market price comparisons for term gas contracts in the relevant market (e.g. Government of Indonesia publicly available information on gas pricing and/or at or close to capped maximum Indonesian delivered price of US\$6.50/mmscf.);

6. Key People, Interests and Benefits Cont.

Term	Description
Vesting conditions continued	<ul style="list-style-type: none"> • one-third of the Options will vest upon FID in respect of the Mako Project. A final investment decision will require the following to be in place: <ul style="list-style-type: none"> – resource and reserve estimates sufficient to support and underpin any GSA entered into by Conrad will need to be certified by a competent person’s report; – executed GSA(s) sufficient to support the economic viability of the Mako Project (see below); – executed access agreements to the WNTS pipeline and its onshore receiving facility at Palau Sakra; – executed major engineering, procurement, construction, installation and commissioning (EPCIC) contract for the construction of facilities on Mako, facility leases and drilling contracts; – having obtained all relevant government authorisations (including an SKK Migas approved Plan of Development), JOA partner approvals and Conrad internal management approvals for project development. • one-third of the Options will vest upon first production of gas from Mako Gas Field and supplied at the daily contract quality (DCQ) specified in any GSA executed by Conrad. This performance hurdle is not achieved until Conrad is able to supply gas to the DCQ levels specified in any GSA.
Dealing restrictions	<p>The holders of Options agree to not deal with the Shares/CDIs issued to them on their exercise prior to the release of those Shares/CDIs from any relevant voluntary or mandatory escrow arrangements entered into by the Option holder referred to in Section 6.18.</p>

Key terms of the Share Rights that Conrad will issue under the New Incentive Plan are set out in the table below.

Term	Description
Grant date	The Share Rights will be issued on 25 September 2022.
Expiry date	Share Rights will expire and lapse if the time-based vesting conditions are not satisfied.
Exercise price	The Share Rights do not have an exercise price. Each Share Right will deliver the holder one Share/CDI when the applicable vesting conditions are met.
Vesting conditions	For each of the Non-executive Directors and Justin Pettett (former Non-executive Director of Conrad), their Share Rights will all vest on the date of the first anniversary of the issue of the Share Rights, being 25 September 2023. For Miltos Xynogalas and David Johnson, their Share Rights will vest on the second anniversary of the issue of the Share Rights, being 25 September 2024. For Patricia Lee (Head of Finance) and (Syed) Amir Mahmud, their Share Rights will vest in four equal tranches on the date of anniversary of the issue of the Share Rights, being: <ul style="list-style-type: none"> • 100,000 on 25 September 2023; • 100,000 on 25 September 2024; • 100,000 on 25 September 2025; and • 100,000 on 25 September 2026.
Dealing restrictions	The holders of Share Rights agrees to not deal with the Shares/CDIs issued to them on the vesting of those Share Rights prior to the release of those Shares/CDIs from any relevant voluntary or mandatory escrow arrangements entered into by the Share Right holder referred to in Section 6.18.

6.14 Loan Warrants

Loan Warrants have been issued to certain Directors of Conrad under warrants instrument dated 14 June 2021 (**Loan Warrant Agreement**).

The below table sets out the key terms of the Loan Warrants issued under the Loan Warrant Agreement. As at the Prospectus Date, 6,769,232 Loan Warrants have been issued under the Loan Warrant Agreement each over one Share (or CDI).

Term	Description
Grant Date	14 June 2021.
Expiry Date	The Loan Warrants will expire on 14 June 2026.
Exercise Price	Following the listing and admission of the Company to the Official List of the ASX, the exercise price of the Loan Warrants will be US\$0.81.

6. Key People, Interests and Benefits Cont.

Term	Description
Exercise Period	The Loan Warrants are exercisable in whole or in part at any time prior to 14 June 2026.
Rights associated with Loan Warrants	The Loan Warrants do not carry dividend or voting rights.
Adjustment to the exercise price and number of Loan Warrants	<p>The number of Shares to be allotted and issued and the amount of the Exercise Price to be paid upon the exercise of Loan Warrants, shall be subject to adjustment, from time to time, upon the occurrence of the following events:</p> <p>Bonus issue</p> <p>If the Company makes a bonus issue of Shares or other securities to existing Shareholders (other than an issue in lieu of, or in satisfaction of, dividends or by way of dividend reinvestment) then upon completion of such issue:</p> <ul style="list-style-type: none"> • the number of Shares to be allotted and issued on exercise of each Loan Warrant will be increased by the number of Shares which the Loan Warrant holder would have received if the holder had exercised all of the Loan Warrants before the record date for the bonus issue; and • no change will be made to the Exercise Price payable hereunder in respect of each Loan Warrant and any bonus shares to be allotted and issued pursuant shall be credited as fully paid. <p>Pro rata issue</p> <p>If the Company makes a pro rata issue (as that term is defined in the ASX Listing Rules) of Shares to existing Shareholders (except a bonus issue) then upon completion of such pro rata issue the Exercise Price will be reduced according to the following formula (provided that in no event the new Exercise Price shall exceed the old Exercise Price):</p> $\text{New Exercise Price} = O - (E [P - (S + D)]) / (N + 1)$ <p>O = the old Exercise Price.</p> <p>E = the number of underlying Shares into which one Loan Warrant is exercisable.</p> <p>P = VWAP per Share of the underlying Shares calculated over the five (5) Trading Days ending on the day before the ex rights date or ex entitlements date.</p> <p>S = the subscription price of a Share under the pro rata issue.</p> <p>D = the dividend due but not yet paid on the existing underlying Shares (except those to be issued under the pro rata issue).</p> <p>N = the number of Shares with rights or entitlements that must be held to receive a right to one new Share.</p> <p>Note: E is one (1) unless the number has changed because of a Bonus Issue.</p>

Term	Description
Adjustment to the exercise price and number of Loan Warrants continued	<p>Other capital reorganisations</p> <p>If there is any reorganisation (including, but not limited to, any division, consolidation, conversion, reclassification or redenomination) of the issued share capital of the Company, the rights of the Loan Warrant holder will be varied upon completion of such reorganisation to the extent necessary to comply with the ASX Listing Rules which apply to the reorganisation at the time of the reorganisation and shall, in all cases, treat the Loan Warrant holders in the same manner as holders of Shares.</p> <p>In all cases above and to the extent permitted by the ASX Listing Rules, the total number of Shares for which the outstanding Loan Warrants would then be capable of being exercised will carry as nearly as possible (and in any event not less than) the same proportion of voting rights prior to such event and the same entitlement to participate in the profits and assets of the Company (including on liquidation) as if that had been no such event giving rise to the adjustment, provided that no benefit is received by the Loan Warrant holder that holders of Shares do not receive.</p>
Restrictions on Warrant holder	<p>No transfer of the Loan Warrants can be registered until the Loan Warrant holder's warrant certificate is surrendered to Conrad.</p>
Rights	<p>The Loan Warrants confer the rights to the Loan Warrant holders to subscribe for cash at the Warrant Price for all or some of the warrant shares.</p>
Participation in new issues of securities	<p>Loan Warrants do not confer on a Loan Warrant holder the right to participate in new issue of securities to existing holders of Shares unless:</p> <ul style="list-style-type: none"> • the Loan Warrant holder has become entitled to exercise the Loan Warrants; • Shares have been allotted and issued in respect of the Loan Warrants prior to the record date for the determination of entitlements to the new issue of securities; and • the Loan Warrant holder participates as a holder of those allotted and issued Shares.

6. Key People, Interests and Benefits Cont.

6.15 SAFE

On 1 March 2022, the Company raised US\$5 million under Simple Agreements for Future Equity (collectively, the **SAFEs**, and each, a **SAFE**) entered between the Company and certain investors of the Company pursuant to which such investors of the Company would have the right to receive Shares in the Company upon their conversion at a conversion price of US\$0.81 per Share (**Conversion Price**) (as appropriately adjusted for any subdivisions, consolidations, share dividends or similar recapitalisations).

Upon the conversion of such SAFE (subject to its terms and conditions), one (1) warrant (**SAFE Warrant**) will be allotted and issued to each such SAFE holder (**SAFE Warrant Holder**, and collectively the **SAFE Warrant Holders**) for every two (2) Shares issued in connection with the conversion of such SAFE.

Each SAFE Warrant will carry the right to subscribe for one (1) Share (or depositary receipts or depositary interests (including CDIs) as determined by the Company) (**SAFE Warrant Share**, and collectively, the **SAFE Warrants Shares**) at an exercise price equal to 150% of the Conversion Price (as expressed in US\$), being indicatively US\$1.22 (as appropriately adjusted for any subdivisions, consolidations, share dividends or similar recapitalisations) (**SAFE Warrant Price**), and an exercise period of two (2) years from the date of issue of the SAFE Warrant. The purpose of the SAFEs was to raise additional working capital to permit flexibility in the timing of the Offer and to allow the Company to continue progress on negotiations of gas sales agreements, development of the POD Revision, and for the potential award of PSCs over the Aceh JSAs.

Certain Directors and/or their associates have also subscribed to the SAFEs.

Immediately prior to Completion of the Offer, the SAFEs will automatically convert into Shares (or CDIs, if applicable) in accordance with the terms and conditions of the SAFE such that 6,153,863 Shares and 3,076,942 SAFE Warrants will be issued upon conversion of the SAFEs. For the avoidance of doubt, the number of Shares issued upon such conversion will be included in the number of Shares (including CDIs, if applicable) on issue in the Company as at Completion.

In addition to the Completion of the Offer which results in an automatic conversion of the SAFEs into Shares, each SAFE may also be converted into Shares upon the occurrence of any of the following events on the terms and conditions of such SAFE:

- where there is a bona fide transaction or series of transactions with the principal purpose of raising capital pursuant to which the Company issues and sells ordinary shares at a fixed valuation (including but not limited to a pre-money or post-money valuation), the investor may elect, no later than 7 days prior to the initial closing of such transaction(s), to convert the SAFE into Shares; or
- where there is a change of control in the Company (including but not limited to any reorganisation, scheme of arrangement, merger, amalgamation or other consolidation of the Company as a result of which does not retain at least a majority of the total voting power represented by the outstanding voting securities of the Company or such other surviving or resulting entity), the investor may elect, no later than 30 days prior to the consummation of such change of control in the Company, to convert the SAFE into Shares.

Subject to the terms and conditions of each SAFE, such SAFE will automatically terminate at the earliest of:

- the issue of Shares pursuant to a conversion of such SAFE in connection with the IPO, bona fide capital raising transaction or change of control in the Company as described above; or
- the payment or setting aside for payment, of amounts due to the investor, pursuant to either the change of control in the Company or a voluntary termination of the Company's operations, general assignment for the benefit of the Company's creditors or any other liquidation, dissolution or winding up of the Company (excluding a change of control), whether voluntary or involuntary.

6.16 SAFE Warrants

SAFE Warrants will be issued to certain investors of the Company under the SAFE warrants instrument dated 22 August 2022 (**SAFE Warrants Instrument**) upon the conversion of the SAFE.

The below table sets out the key terms of the SAFE Warrants issued under the SAFE Warrants Instrument. On the Completion Date, 3,076,942 SAFE Warrants will be issued under the SAFE Warrants Instrument.

Term	Description
Grant Date	Completion Date, which is currently expected to be 20 October 2022.
Expiry Date	The date that is 2 years from the Grant Date.
Vesting	The SAFE Warrants do not have any vesting conditions.
SAFE Warrant Price	The exercise price of each SAFE Warrant is US\$1.22, which is equal to 150% of the Conversion Price (as expressed in US\$), subject to any adjustment from time to time pursuant to the SAFE Warrants Instrument.
Exercise Period	The SAFE Warrants are exercisable in whole or in part at any time prior to 5.00pm (Singapore time) on the Expiry Date.
Rights associated with SAFE Warrants	The SAFE Warrants do not carry dividend or voting rights.
Adjustment to the exercise price and number of SAFE Warrants	<p>The number of SAFE Warrant Shares to be allotted and issued and the SAFE Warrant Price to be paid upon the exercise of the SAFE Warrants, shall be subject to adjustment, from time to time, upon the occurrence of the following events:</p> <p>Bonus issue</p> <p>If the Company makes a bonus issue of Shares or other securities to existing shareholders of the Company (other than an issue in lieu of, or in satisfaction of, dividends or by way of dividend reinvestment) (Bonus Issue), then upon completion of such Bonus Issue:</p> <ul style="list-style-type: none"> the number of SAFE Warrants Shares to be allotted and issued on exercise of each SAFE Warrant will be increased by the number of SAFE Warrant Shares which the SAFE Warrant Holder would have received if the SAFE Warrant Holder had exercised all of the SAFE Warrants before the record date for the Bonus Issue (Bonus Shares); and no change will be made to the SAFE Warrant Price payable hereunder in respect of each SAFE Warrant and any bonus shares to be issued pursuant shall be credited as fully paid.

6. Key People, Interests and Benefits Cont.

Term	Description
Adjustment to the exercise price and number of SAFE Warrants continued	<p>Pro rata issue</p> <p>If the Company makes a pro rata issue of Shares (as that term is defined in the ASX Listing Rules) to existing shareholders of the Company (except a Bonus Issue) (Pro Rata Issue), then upon completion of such Pro Rata Issue, the SAFE Warrant Price will be reduced according to the following formula (provided that in no event the new SAFE Warrant Price shall exceed the old SAFE Warrant Price):</p> $\text{New SAFE Warrant Price} = \frac{O - (E [P - (S + D)])}{(N + 1)}$ <p>Where:</p> <p>O = the old SAFE Warrant Price.</p> <p>E = the number of underlying SAFE Warrants Shares into which one (1) SAFE Warrant is exercisable.</p> <p>P = VWAP per Share of the underlying SAFE Warrants Shares calculated over the five (5) Trading Days ending on the day before the ex rights date or ex entitlements date.</p> <p>S = the subscription price of a Share under the Pro Rata Issue.</p> <p>D = the dividend due but not yet paid on the existing underlying Shares in the Company (except those to be issued under the Pro Rata Issue).</p> <p>N = the number of Shares with rights or entitlements that must be held to receive a right to one (1) new Share.</p> <p>Note: E is one (1) unless the number has changed because of a Bonus Issue.</p> <p>Other capital reorganisations</p> <p>If there is any reorganisation (including, but not limited to, any division, consolidation, conversion, reclassification or redenomination) of the issued share capital of the Company, the rights of the SAFE Warrant Holders will be varied upon completion of such reorganisation to the extent necessary to comply with the ASX Listing Rules which apply to the reorganisation at the time of the reorganisation and shall, in all cases, treat the SAFE Warrant Holders in the same manner as holders of Shares.</p> <ul style="list-style-type: none"> In all cases above and to the extent permitted by the ASX Listing Rules, the total number of SAFE Warrants Shares for which the outstanding SAFE Warrants would then be capable of being exercised will carry as nearly as possible (and in any event not less than) the same proportion of voting rights prior to such event and the same entitlement to participate in the profits and assets of the Company (including on liquidation) as if there had been no such event given rise to the adjustment, provided that no benefit is received by the SAFE Warrant Holders that holders of Shares do not receive.

Term	Description
Transfer Restrictions of SAFE Warrants	In addition to the other provisions relating to the transfer of the SAFE Warrants in the SAFE Warrants Instrument, no transfer of the whole or any portion of the SAFE Warrants comprised in the SAFE warrant certificate substantially in the form set out in Schedule 1 of the SAFE Warrants Instrument (SAFE Warrant Certificate) can be registered until the SAFE Warrant Holder's SAFE Warrant Certificate is surrendered to the Company at its registered office for the attention of the Company Secretary or such other person or persons appointed by the Company as its registrars in connection with the SAFE Warrants from time to time.
Subscription Rights	Each SAFE Warrant confers the right to subscribe for one (1) SAFE Warrant Share at the SAFE Warrant Price, as may be adjusted from time to time pursuant to the provisions of the SAFE Warrants Instrument.
Participation in new issues of securities	The SAFE Warrants do not confer on a SAFE Warrant Holder the right to participate in any new issue of securities to existing holders of Shares unless: <ul style="list-style-type: none"> • the SAFE Warrant Holder has become entitled to exercise its right to subscribe for the SAFE Warrants Shares as constituted by the SAFE Warrants Instrument; • the SAFE Warrants Shares allotted and issued in respect of the SAFE Warrants were allotted and issued prior to the record date for the determination of entitlements to the new issue of securities; and • the SAFE Warrant Holder participates as a holder of those allotted and issued SAFE Warrant Shares.

6.17 Interests of Advisors

Conrad has engaged the following professional advisers in relation to the Offer:

- (a) Canaccord Genuity and Bell Potter have acted as Joint Lead Managers to the Offer and the fees payable to the Joint Lead Managers are described in Section 8.7.
- (b) Clayton Utz has acted as Australian legal adviser to Conrad in relation to the Offer. Conrad has paid, or agreed to pay, approximately A\$1.2 million (excluding disbursements and GST) for the services up to the Prospectus Date. Further amounts may be paid to Clayton Utz in accordance with its normal time-based charges.
- (c) WongPartnership LLP has acted as Singapore legal adviser to Conrad in relation to certain legal matters in connection with the Offer. Among others, WongPartnership LLP did not advise on the Foreign Selling Restrictions set out in Annexure C. Conrad has paid, or agreed to pay, approximately S\$400,000 (excluding disbursements and GST) for the services up to the Prospectus Date. Further amounts may be paid to WongPartnership LLP in accordance with its normal time-based charges.
- (d) Assegaf Hamzah & Partners has acted as Indonesian legal adviser to Conrad in relation to the Offer and has performed work in relation to its Legal Opinion in Annexure F. Conrad has paid, or agreed to pay, approximately US\$70,000 (excluding disbursements and GST) for the services up to the Prospectus Date.
- (e) Gaffney, Cline & Associates has acted as the Independent Technical Expert on, and has performed work in relation to the Competent Person's Reports in Annexure D and Annexure E. Conrad has paid, or agreed to pay, approximately US\$87,500 (excluding disbursements and GST) for these services up to the Prospectus Date.
- (f) Moore Stephens LLP has been appointed to act as auditor to the Company.

**Figure 6.18.2: Expected Escrowed Securities on Completion
(Assuming all Oversubscriptions are accepted)**

Assuming all Oversubscriptions are accepted (A\$55 million)											
Escrow period of CDIs											
Shareholder type	Number of CDIs Escrowed	% of CDIs at Completion	24 Months (Mandatory)		12 Months (Mandatory)		12 Months (Voluntary)		6 Months (Voluntary)		
			#	%	#	%	#	%	#	%	
Directors	37,112,649	22.3%	37,112,649	22.3%	-	-	-	-	-	-	
Other Employees	699,424	0.4%	-	-	-	-	524,568	0.3%	174,856	0.1%	
Other Existing Owners	86,640,057	52.1%	2,746,664	1.7%	1,253,353	0.8%	61,980,030	37.3%	20,660,010	12.4%	
New Shareholders	-	-	-	-	-	-	-	-	-	-	
Total escrowed	124,452,130	74.9%	39,859,313	24.0%	1,253,353	0.8%	62,504,598	37.6%	20,834,866	12.5%	
Total not escrowed	41,796,173	25.1%	-	-	-	-	-	-	-	-	
Total CDIs on Completion	166,248,303	100.0%	-	-	-	-	-	-	-	-	

(b) Mandatory Escrow Deeds

The ASX Listing Rules require that certain persons such as seed capitalists, promoters and related parties enter into restriction agreements under which they are restricted from dealing in a specified number of securities in the Company held by them, for periods of up to 24 months from the date of quotation of the CDIs, i.e. Completion.

The restriction agreements will be in the form required by ASX over a number of securities (CDIs) and a period as determined by the ASX and restrict the ability of those persons to dispose of, create any security interest in or transfer effective ownership or control of the securities. Under those restriction agreements, the Escrowed Shareholders and the Company (and where appropriate any controller of the escrowed securities) agree:

- any escrowed securities cannot be disposed of, and that the Escrowed Shareholder will not attempt to dispose of Escrowed Securities, during the escrow period except as permitted by the ASX Listing Rules; and
- the Company will refuse to acknowledge a disposal (including registering a transfer) of escrowed securities during the escrow period except as permitted by the ASX Listing Rules.

During a breach of the ASX Listing Rules relating to escrowed securities, or a breach of the restriction agreement, while that breach continues, the Escrowed Shareholder is not entitled to any:

- voting rights, and agrees not to exercise any voting rights, in respect of the restricted securities; and
- dividend or distribution in respect of the escrowed securities.

Under the terms of the Mandatory Escrow Deed, ASX may consent to the removal of the restrictions, subject to the satisfaction of certain conditions, to enable a holder of Escrowed Securities to accept an offer under a takeover, or enable the restricted securities to be transferred or cancelled as part of a merger by way of scheme of arrangement.

6. Key People, Interests and Benefits Cont.

(c) Voluntary Escrow Deeds

As noted above, in addition to the escrow arrangements imposed by the ASX, Existing Shareholders and certain new CDI holders and controllers have agreed to enter into voluntary escrow arrangements in relation to all of their CDIs under which they will be restricted from dealing with 25% of their CDIs until 6 months after Completion, and the remaining 75% of their CDIs until 12 months after Completion.

The restriction on “dealing” is broadly defined and includes, among other things, selling, assigning, transferring or otherwise disposing of any interest in the Escrowed Securities (including any indirect interest through an intermediate entity), encumbering or granting a security interest over the Escrowed Securities (except to the extent outlined in this Section 6.18), doing, or omitting to do, any act if the act or omission would have the effect of transferring effective ownership or control of any of the Escrowed Securities or agreeing to do any of those things. There are limited circumstances in which the escrow may be released, or Escrowed Securities otherwise dealt with early, including:

- to allow the Escrowed Shareholder (and where relevant, a nominee holder on behalf of the Escrowed Shareholder) to accept an offer under a takeover or similar transaction in relation to its Escrowed Securities if holders of at least half of the Shares the subject of the transaction that are not subject to similar escrow arrangements have accepted the transaction or relevant offer and the takeover is unconditional or all its conditions have been satisfied or waived (subject to a requirement to return the Escrowed Securities to escrow if the offer does not proceed);
- to allow Escrowed Securities to be transferred or cancelled as part of an equal buyback, capital reduction or equal return of capital or other similar pro rata reorganisation, a merger, including by way of a share exchange or an acquisition of all Shares, which has in any such case received all necessary approvals (subject to a requirement to return the Escrowed Securities to escrow if the transaction does not proceed);
- a transfer (in one or more transactions) of any or all Escrowed Securities to an affiliate provided such affiliate agrees to be bound by the voluntary escrow arrangements for the term of those arrangements, or in the case of certain limited reorganisations involving the Escrowed Shareholder;
- the grant of securities over any or all of their Escrowed Shares to a bona fide third party financial institution as security for a loan, hedge or other financial accommodation, provided that the encumbrance does not in any way constitute a direct or indirect disposal of the economic interests, or decrease an economic interest, that the relevant Escrowed Shareholder has in any of its Escrowed Securities and no Escrowed Securities may be transferred to the financial institution in connection with the encumbrance (with the documentation for such an encumbrance making clear that the escrowed Shares remain in escrow and subject to the voluntary escrow arrangements for the term of those arrangements);
- to the extent required by applicable law (including an order of a court of competent jurisdiction); or
- on the death, serious disability or permanent incapacity of the Escrowed Shareholder.

6.19 Corporate Governance

(a) Overview

This Section 6.19 explains how the Board will oversee the management of the Company’s business and the main corporate governance policies and practices adopted by the Company.

The Board is responsible for the overall corporate governance, operation and stewardship of the Company and, in particular, for the long-term growth and profitability of the Company and promoting the strategies, values, policies and financial objectives of Conrad.

Conrad has in place corporate governance practices which are formally embodied in corporate governance policies and codes adopted by the Board. The aim of the policies is to ensure that Conrad is effectively directed and managed, risks identified, monitored and assessed, and appropriate disclosures made.

The ASX Corporate Governance Council has developed and released corporate governance recommendations for Australian listed entities in order to promote investor confidence and to assist companies to meet stakeholder expectations. The ASX Corporate Governance Principles and Recommendations 4th Edition (**ASX Recommendations**) are not prescriptions, but guidelines. The Directors have incorporated the ASX Recommendations into the policies to the extent the Directors considered are appropriate.

Under the ASX Listing Rules, Conrad will be required to release an ASX Appendix 4G and a Corporate Governance Statement annually to the ASX and on the Company's website disclosing the extent to which it has followed the ASX Corporate Governance Principles and Recommendations in the reporting period. Where the Company does not follow any of the ASX Corporate Governance Principles and Recommendations, it must identify the recommendation that has not been followed and give reasons for not following it. Except as set out in this Section 6.19, the Board does not anticipate that the Company will depart from the ASX Recommendations; however it may do so in the future if it considers that such a departure would be reasonable and in the best interests of the Company.

The fourth edition of the ASX Recommendations was issued, in part, to address emerging issues around culture, values and trust. The Company has been cognisant of its values, mission and vision in formulating corporate governance policies. Conrad's mission and vision are described in Section 2.3 and Section 6.20.

Details and copies of the policies will be available from listing on the ASX at www.conradasia.com/about/#corporate-governance and are summarised below. The Securities Trading Policy will also be available on the ASX's website from listing.

(b) Board of Directors

The current Directors of Conrad are set out in Section 6.1 along with their expertise, experience and qualifications.

Mr Peter Botten (Chairman of the Board), Mr Mario Traviati, Mr Jeremy Brest and Mr Paul Bernard are non-executive Directors who are not a part of the Company's management. Mr Miltos Xynogalas and Mr David Johnson are the Company's executive Directors.

The Board reviews the independence of each Director in light of interests disclosed to the Board from time to time. In reviewing the independence of a Director, the Board will consider whether there are any factors or considerations which may mean that the Director's interest, business or relationship could, or could be reasonably perceived to, materially interfere with the Director's ability to act in the best interests of the Company.

The Board considers that each of Peter Botten, Paul Bernard, Jeremy Brest and Mario Traviati are free from any business or any other relationship that could materially interfere with, or reasonably be perceived to interfere with, the independent exercise of her or his judgement and each of them is able to fulfil the role of independent, non-executive Director.

Mario Traviati is expected to hold approximately 7.3% of the CDIs on Completion. Mario's interests are described in Figure 6.11.1 in Section 6.11. The Board (absent Mario Traviati) has specifically taken these factors into account when considering whether Mario should be considered to be independent. The Board (absent Mario Traviati) does not consider those factors to be sufficiently dominant or influential in the circumstances so as to conclude he is not independent or that his interests will be sufficiently different to those of shareholders with smaller stakes. In particular it had regard to Mario's conduct to date on the Board, his significant industry experience, his expected shareholding on Completion and the lack of other factors referred to in the ASX Recommendations and Board Charter which might lead the Board to query his independence.

As executive directors responsible for the day to day management of the Company, Miltos Xynogalas and David Johnson are not considered by the Board to be independent.

Accordingly, as at listing on the ASX, the Board will consist of a majority of non-executive Directors and four Directors will be considered to be independent Directors.

6. Key People, Interests and Benefits Cont.

(c) Board Charter

The Board has adopted a Board Charter which sets out the responsibilities of the Board in detail. The role of the Board includes:

- defining the Company's purpose and setting its strategic objectives, in consultation with management;
- directing, monitoring and assessing the Company's performance against strategic and business plans, to determine if appropriate resources are available;
- approving and monitoring capital management and major capital expenditure, acquisitions and divestments;
- reviewing and ratifying the Company's systems of internal compliance and control, risk management frameworks and legal compliance systems, to determine the integrity and effectiveness of those systems;
- approving and monitoring material internal and external financial and other reporting, including periodic reporting to securityholders, the ASX and other stakeholders;
- approving criteria for assessing performance of senior executives and monitoring and evaluating their performance;
- undertaking evaluation of the performance of the Board (including the Chairman) and each Board Committee; and
- monitoring and evaluating the Company's compliance with its corporate governance standards.

The Charter provides for the Board to delegate specific matters to the Executive Leadership Team, or to committees established by the Board, however, ultimate responsibility for strategy and control rests with the Directors.

The composition of the Board, its performance and the appointment of new Directors will be reviewed periodically by the Board, taking advice from external advisors where considered appropriate.

(d) Board Committees

In order to better manage its responsibilities, the Board has established an Audit and Risk Management Committee and a Remuneration and Nomination Committee.

Each committee has adopted a charter approved by the Board, setting out its responsibilities. Other committees may be established by the Board as and when required. Membership of Board committees will be based on the needs of the Company, relevant legislative and other requirements and the skills and experience of individual Directors. The committees will initially be comprised of:

- Audit and Risk Management Committee: Paul Bernard (Chair), Jeremy Brest, Mario Traviati and Peter Botten; and
- Remuneration and Nomination Committee: Jeremy Brest (Chair), Paul Bernard, Mario Traviati and Peter Botten.

(e) Audit and Risk Management Committee

The role and responsibilities, composition and membership requirements of the Audit and Risk Management Committee are documented in an Audit and Risk Management Committee Charter.

The purpose of the Audit and Risk Management Committee is to assist the Board in fulfilling its corporate governance and oversight responsibilities in relation to the Company's financial reports and financial reporting process and internal control structure, risk management systems (financial and non-financial) and the external statutory audit process.

The Audit and Risk Management Committee will meet on a regular basis to:

- review and approve external statutory audit plans and update if required;
- review and approve financial reports;
- review reports arising from any risk assurance activities;
- assess the independence and performance of, and recommend the appointment or removal of, external auditors;
- review and assess the Company's environmental and social governance risks;
- review and assess ethics and reputation issues arising from the Company's activities;
- review the adequacy of the Company's corporate reporting processes and internal control and risk framework; and
- review the effectiveness of the Company's compliance and risk management functions.

The Audit and Risk Management Committee will also make recommendations to the Board on the appointment, reappointment or replacement, remuneration, monitoring of the effectiveness and independence of the external statutory auditors, and resolution of disagreements between management and the auditor regarding financial reporting.

Conrad does not currently have an internal audit function in place. The Audit and Risk Management Committee Charter puts in place processes to monitor the Company's financial and risk management procedures and the Board currently considers these processes appropriate for the size and level of operations of the Company.

In accordance with the ASX Recommendations, the Audit and Risk Management Committee comprises at least three members, each of whom are non-executive Directors, and a majority of whom are independent. Membership of the Audit and Risk Committee is as follows: Paul Bernard (Chair), Jeremy Brest, Mario Traviati and Peter Botten.

The Audit and Risk Management Committee will meet at least four times per year, with the Committee meeting in private session at least annually to assess management's effectiveness.

(f) Remuneration and Nomination Committee

The role and responsibilities, composition and membership requirements of the Remuneration and Nomination Committee are documented in a Remuneration and Nomination Committee Charter.

The key purpose of the Remuneration and Nomination Committee is to ensure the Board is effective and high-performing, making sure, for example, that there is an appropriate number of independent, non-executive Directors that represent the best interests of the Company, and that formal and transparent renewal processes are in place.

The Remuneration and Nomination Committee will assist the Board by reviewing and making recommendations to the Board in relation to:

- succession issues and planning for the Board, Chief Executive Officer, senior executives and executive Directors and the recruitment of new Directors and executives;
- the appointment and re-election of people as members of the Board and its committees;
- the Company's recruitment, retention and termination policies;
- the process for the evaluation of the performance of the Board, its Board committees and individual Directors; and
- the size and composition of the Board and strategies to address Board diversity and the Company's performance in respect of the Company's Diversity Policy.

6. Key People, Interests and Benefits Cont.

In accordance with the ASX Recommendations, the Remuneration and Nomination Committee will have three members, each of whom is a non-executive Director. Membership of the Remuneration and Nomination Committee is as follows: Jeremy Brest (Chair), Paul Bernard, Mario Traviati and Peter Botten.

The Remuneration and Nomination Committee will meet as often as necessary, but must meet at least twice a year and one of those meetings must take place at least two months prior to each annual general meeting.

6.20 Corporate Governance Policies

The Board has adopted the following corporate governance policies, each of which has been prepared having regard to the ASX Recommendations.

Conrad's policies and corporate governance practices will continue to be reviewed regularly and will continue to be developed and refined to meet Conrad's needs.

(a) Conrad's purpose and values

Conrad's business model is to operate in shallow waters, offshore Indonesia with a specific focus on natural gas. Since its founding in 2010, the Company has focussed on identifying and acquiring undervalued, overlooked, and/or technically misunderstood gas assets. Conrad has developed expertise in maturing such assets through subsurface technical work, appraisal drilling and an innovative approach to low-cost field development.

- **Vision** – to further the cleaner energy transition in Indonesia and adjacent Southeast Asian markets.
- **Mission** – to continue to grow as an independent gas development and production company in Southeast Asia through the supply of low carbon intensity, affordable energy in the form of natural gas.
- **Values** – the Company's core values are: acting with honesty, integrity and in a manner that is consistent with the reasonable expectations of investors and the broader community. It includes being, and being seen to be, a 'good corporate citizen', for example by:
 - respecting the human rights of its employees;
 - creating a safe and non-discriminatory workplace;
 - dealing honestly and fairly with suppliers and customers;
 - acting responsibly towards the environment; and
 - only dealing with business partners who demonstrate similar ethical and responsible business practices.

These values underpin everything that Conrad does and are central to its Code of Conduct.

(b) Code of Conduct

Conrad is committed to behaving with honesty, trust and integrity and developing market-leading services which will be achieved through its people.

Conrad is committed to instilling and continually reinforcing a culture across the organisation of acting lawfully, honestly, ethically, with integrity and responsibly.

The Board has approved a Code of Conduct which sets the framework under which all of our people are expected to behave. Conrad expects all of its Directors and employees (and to the extent applicable, non-employees such as independent contractors) to abide by the principles and spirit of this code. Conrad's Code of Conduct is a broad set of guidelines, and is not intended to cover every situation that may arise. It complements other policies, procedures and guidelines we have and is intended to be consistent with them. It sets out a practical set of principles giving direction and reflecting Conrad's approach to business conduct, rather than defining a prescriptive set of rules.

The Code of Conduct deals with various areas such as Conrad's business ethics and integrity including:

- respecting the human rights of its employees;
- creating a safe and non-discriminatory workplace;
- dealing honestly and fairly with suppliers and customers;
- acting responsibly towards the environment; and
- only dealing with business partners who demonstrate similar ethical and responsible business practices.

All suspected breaches of the Code of Conduct will be investigated by the Company and appropriate and proportionate disciplinary and remedial action will be taken.

(c) Anti-Bribery and Corruption Policy

Conrad has zero tolerance for, and is committed to preventing, corruption and the offer, provision or acceptance of bribes. Conrad has adopted an Anti-Bribery and Corruption Policy that seeks to ensure Conrad's compliance with the Singapore Corruption, Drug Trafficking and Other Serious Crimes (Confiscation of Benefits) Act 1992, the Singapore Prevention of Corruption Act 1960 and the Singapore Penal Code 1871, and the Indonesia Law No. 31 of 1999, as amended by Law No. 20 of 2001 on the Eradication of Corruption and other applicable anti-corruption legislation. This Policy sets out Conrad's standards and guidelines on what constitutes bribery and corruption, offering, accepting and providing gifts and hospitality, participating in tenders and procuring goods and services, and providing donations and sponsorship.

(d) Communications Policy

Conrad is committed to effective communication with its customers, securityholders, market participants, employees, suppliers, financiers, creditors, other stakeholders and the wider community. The Company aims to ensure that all stakeholders, market participants and the wider community are informed of its activities and performance.

Conrad's Communications Policy is designed to ensure that the Company:

- provides timely and accurate information equally to all securityholders and market participants regarding the Company including its financial situation, performance, ownership, strategies, activities and governance; and
- adopts channels for disseminating information that are fair, timely and cost efficient.

Conrad has implemented a number of processes with the aim to achieve these goals, including an investor relations program that facilitates effective two-way communication with investors, with a focus on both professional and retail investors.

The Board aims to ensure that all securityholders are kept informed of all material developments affecting Conrad's business. Information will be communicated to securityholders through announcements to the ASX, Conrad's annual report, annual general meetings, half yearly and full year results, and the Conrad website, www.conradasia.com.

(e) Continuous Disclosure Policy

Conrad will endeavour to make publicly available all information to ensure that trading in its securities takes place in an efficient, competitive and informed market. Accordingly, the Board has adopted a Continuous Disclosure Policy the purpose of which is to:

- ensure that the Company, as a minimum, complies with its continuous disclosure obligations under the Corporations Act and the ASX Listing Rules and as much as possible seeks to achieve and exceed best practice;
- provide securityholders and the market with timely, balanced, direct and equal access to information issued by the Company; and
- promote investor confidence in the integrity of the Company and its securities.

Conrad will immediately notify the ASX of any information concerning it that a reasonable person would expect to have a material effect on the price or value of the Company's securities, unless exempted by the

6. Key People, Interests and Benefits Cont.

ASX Listing Rules. After receiving confirmation from the ASX that an announcement has been released to the market, Conrad will disseminate the information as soon as possible by posting the announcement on the Conrad website.

Conrad will not provide the media with exclusive interviews or information that potentially contains any material price sensitive information prior to disclosing that information to the ASX. The Company has a general “no comments” policy in relation to market speculation and rumours, which must be observed by employees at all times.

(f) Diversity Policy

Conrad is a forward thinking and dynamic organisation that holds its people in the highest esteem and considers them to be its greatest asset. The Company’s workforce is made up of many individuals with diverse skills, values, experiences, backgrounds and attributes including those gained on account of their gender identity, age, disability, cultural or socio-economic background, sexual orientation, perspective and/or experience.

Conrad values and is proud of its strong and diverse workforce and is committed to supporting and further developing this diversity through attracting, recruiting, engaging and retaining diverse talent and aligning the Company’s culture and management systems with this commitment. The Company believes that such a commitment to diversity creates competitive advantage and enhances employee participation, and in this way is essential to the organisation continuing to succeed and growing stronger.

Conrad is committed to providing and promoting a corporate culture which embraces diversity in line with the Diversity Policy, and aims to do so via:

- promoting the principles of merit and fairness when making decisions about recruitment, development, promotion, remuneration and flexible work arrangements for employees at all levels;
- considering a range of facets of diversity in addition to gender when considering the composition of the Board, including age, ethnicity and background;
- embedding the importance of diversity within the Company’s culture by encouraging and fostering a commitment to diversity by leaders at all levels whilst recognising that diversity is the responsibility of all employees; and
- reinforcing with the Company’s people that in order to have an inclusive workplace, discrimination, harassment, vilification and victimisation will not be tolerated within the Company.

The Company will also commit to designing, implementing and/or maintaining programs and initiatives to assist with improving diversity, including those as required by the ASX Recommendations.

(g) Securities Trading Policy

Conrad has implemented a Securities Trading Policy for Directors and employees of Conrad. The Securities Trading Policy sets out prohibited periods during which Directors and employees may not trade in Company securities. These periods extend from year end or half year end until the release of the Company’s annual or half yearly results, respectively. The Securities Trading Policy also sets out trading windows, which are the only periods during which Directors and key management personnel and certain other restricted employees (as defined in the Securities Trading Policy) may trade in Company securities. The trading windows extend for four weeks following the release of annual or half yearly results, and four-week period after the annual general meeting.

The Securities Trading Policy prohibits Directors and restricted employees from engaging in short-term dealing in securities of the Company.

Trading outside these restrictions may be permitted in exceptional circumstances as approved by a designated officer. The Securities Trading Policy also requires that Directors and employees of the Company in possession of price sensitive information must not at any time deal in securities of the Company, or advise or suggest another person do so, or communicate the price sensitive information to a person who may trade in securities of the Company.

(h) Remuneration Policy

Conrad is committed to attracting and retaining the best people to work in the organisation, including Directors and the Executive Leadership Team. A key element in achieving that objective is to ensure that the Company is able to appropriately remunerate its key people.

Conrad has adopted a Remuneration Policy, the purpose of which is to establish a framework for remuneration that is designed to:

- ensure that coherent remuneration policies and practices are observed which enable the attraction and retention of Directors and management who will create value for securityholders;
- fairly and responsibly reward Directors and the Executive Leadership Team having regard to the Company's performance, the performance of the Executive Leadership Team and the general pay environment; and
- comply with all relevant legal and regulatory provisions.

Remuneration for executive Directors and senior executives may incorporate fixed and variable pay performance elements with both a short-term and long-term focus. The incentives for non-executive Directors will be designed so as not to conflict with their obligation to bring an independent judgement to matters before the Board. Refer to Section 6.5 for details regarding the CEO and executive Directors, non-executive Directors and Executive Leadership Team (other than the CEO) remuneration, respectively.

(i) Risk Management Policy

Risk recognition and management are viewed by Conrad as integral to its objectives of creating and maintaining Shareholder value, and to the successful execution of Conrad's strategies.

The purpose of the Risk Management policy adopted by the Board is to ensure that:

- appropriate systems are in place to identify to the extent reasonably practicable all material risks that may impact on the Company's business;
- the financial and non-financial impact of identified risks is understood, and appropriate internal control systems are in place to limit the Company's exposure to such risks;
- appropriate responsibilities are delegated to control the identified risks effectively; and
- any material changes to the Company's risk profile are disclosed in accordance with the Company's Continuous Disclosure policy.

(j) Whistleblowers Policy

Conrad has adopted a Whistleblowers Policy which encourages Conrad's Directors, officers, employees, consultants, contractors and suppliers (as well as their relatives, dependants or spouse, where applicable) to raise any concerns and report instances of illegal or unethical behaviour, without fear of reprisal. The Whistleblowers Policy establishes the mechanisms and procedures for employees to report unethical or illegal conduct in a manner which protects the whistleblower and gathers the necessary information for Conrad to investigate such reports and act appropriately.

6.21 Related Party Transactions and interests

As at the Prospectus Date, other than as set out in this Prospectus, there are no existing agreements or arrangements and there are currently no proposed transactions which Conrad was, or is to be, a participant, and which any related party had or will have a direct or indirect material interest.



7. Details of the Offer

7. Details of the Offer

7.1 The Offer

The IPO relates to an Offer of A\$45 million, by the issue of CDIs over fully paid ordinary Shares. 30,821,917 CDIs will be issued, at an issue price of A\$1.46 per CDI to raise approximately A\$45 million (with the ability to accept oversubscriptions to raise up to A\$55 million (in aggregate)). The CDIs will be issued at a ratio of 1 CDI for 1 Share.

All CDIs will, once issued, rank equally with each other. A summary of the rights attaching to the CDIs is set out in Section 8.12. Conrad's free float for the purposes of ASX Listing Rule 1.1 Condition 7 will not be less than 20%.

(a) Purpose of the Offer

The purpose of the Offer is to provide funding for the development of the Mako Gas Field, provide additional capital for growth, as well as to broaden the shareholder base and provide Conrad with the benefits of an increased profile as an ASX listed entity.

The Offer is expected to raise up to A\$45 million.

(b) Use of funds

The proceeds of the Offer will be applied as follows:

Figure 7.1.1: Uses of funds

Uses	Before accepting Oversubscriptions (A\$45 million)			Assuming all Oversubscriptions are accepted (A\$55 million)		
	US\$m	A\$m ¹	%	US\$m	A\$m ¹	%
Mako FEED and long lead items (including subsea wellheads and related equipment and structural steel)	17.4	24.0	53%	21.0	28.9	53%
Funds for growth and the evaluation of new assets and associated costs	3.1	4.3	10%	6.1	8.4	15%
General and administration costs	3.7	5.1	11%	3.7	5.1	9%
Repayment of borrowings under shareholder loan	5.5	7.6	17%	5.5	7.6	14%
Payment of transaction costs associated with the Offer	2.9	4.0	9%	3.6	5.0	9%
Total	32.6	45.0	100%	39.9	55.0	100%

Note:

1. Australian dollar values in the above table are converted from US dollars at the exchange rate of 0.7256.

The above table is a statement of Conrad's current intentions as at the Prospectus Date. Investors should note that the allocation of funds set out in the above table may change depending on a number of factors, including the outcome of operational and development activities, regulatory developments, and market and general economic conditions. Conrad reserves its right to alter the way the funds are applied. In addition, as the Prospectus Offer will be in Australian dollars and the expenditure will be in US dollars, the actual amount of the proceeds used for each of the items above will depend on the A\$:US\$ exchange rate at the time the funds are converted to US dollars. Debt repayment represents the repayment of current Shareholder Loans of US\$5.5 million.

The Board believes that the funds raised from the Offer will provide the Company with sufficient working capital to achieve its stated objectives as detailed in this Prospectus.

7. Details of the Offer Cont.

(c) Expected expenditure program

Consistent with its stated business and growth objectives and the purpose of the Offer, the Company expects expenditure in the below areas in the expected timeframes illustrated in the table below:

Figure 7.1.2: Expenditure Items

Expenditure item	Period ending 31 December 2022 (US\$)
Mako FEED and long lead items (including: subsea wellheads and related equipment and structural steel)	\$17.4 million
Funds for growth and the evaluation of new assets and associated costs	\$3.1 million

Note:

- The above table is a statement of the Company's current intentions based on the Company's business conditions as at the Prospectus Date. The Company may vary the way its funds are applied in order to act in the best interests of the Company's Shareholders and as circumstances may require.

(d) Substantial shareholders and control implications of the Offer

Refer to Section 8.3(b).

7.2 Terms and conditions of the Offer

Topic	Summary
What is the type of security being offered?	CDIs over fully paid ordinary Shares in Conrad. Each Share is equivalent to one CDI.
What are the rights and liabilities attached to the security being offered?	The holders of CDIs receive all of the economic benefit of actual ownership of the underlying Shares. CDIs are traded in a manner similar to the shares of an Australian listed company. The Shares underlying the CDIs will rank equally with the Shares currently on issue in the Company. There are certain differences between the Shares and ordinary shares which are typically issued by Australia incorporated public companies. A description of the CDIs and the underlying Shares, including the rights and liabilities attaching to them, is set out in Section 8.12.
What is the consideration payable for each security being offered?	Successful applicants under the Offer will pay the Offer Price, being A\$1.46 per CDI.

Topic	Summary
What is the Offer period?	<p>The key dates, including details of the Offer period are set out in the Key Offer Details section.</p> <p>The timetable is indicative only and may change. Unless otherwise indicated, all times are stated in Australian Eastern Standard Time. Conrad, in consultation with the Joint Lead Managers, reserves the right to vary both of the above times and dates without notice (including, subject to the ASX Listing Rules and the Corporations Act, to close the Offer early, to extend the Offer Closing Date, to accept late Applications or bids, either generally or in particular cases, or to cancel or withdraw the Offer before Settlement, in each case without prior notice).</p> <p>If the Offer is cancelled or withdrawn before the allocation of Shares, then all application monies will be refunded in full (without interest) as soon as possible in accordance with the requirements of the Corporations Act. Investors are encouraged to submit their Applications as soon as possible after the Offer opens.</p> <p>No CDIs will be issued on the basis of this Prospectus later than the Expiry Date of 13 months after the Prospectus Date.</p>
What are the cash proceeds to be raised?	<p>Approximately A\$45 million will be raised under the Offer (with the ability to accept oversubscriptions to raise up to A\$55 million (in aggregate)).</p>
Is the Offer underwritten?	<p>No. The Offer is not underwritten.</p>
What is the allocation policy?	<p>The allocation of CDIs between the Broker Firm Offer, the Priority Offer, the Institutional Offer and the Public Offer will be determined by the Company and the Joint Lead Managers, having regard to the allocation policies set out in Sections 7.4(f), 7.5(f), 7.6(b) and 7.7(b) below.</p> <p>With respect to the Broker Firm Offer, it will be a matter for the Broker to determine how they allocate CDIs among their eligible clients. The Broker (and not Conrad or the Joint Lead Managers) will be responsible for ensuring that eligible clients who have received an allocation from them receive the relevant CDIs.</p> <p>The allocation of CDIs among applicants in the Institutional Offer will be determined by the Joint Lead Managers and Conrad.</p> <p>The final allocation of CDIs under the Priority Offer will be determined by the Company at its discretion.</p> <p>The Public Offer is open to all investors with a registered address in Australia.</p>
When will I receive confirmation that my application has been successful?	<p>It is expected that initial holding statements and allotment confirmation advices will be sent on or about Friday, 21 October 2022.</p>

7. Details of the Offer Cont.

Topic	Summary
Will the CDIs be quoted on ASX?	<p>Conrad will apply to the ASX for admission to the Official List and quotation of CDIs on the ASX (which is expected to be under the code CRD).</p> <p>Completion is conditional on the ASX approving this application. If approval is not given within three months after such application is made (or any longer period permitted by law), the Offer will be withdrawn and all application monies received will be refunded (without interest) as soon as practicable in accordance with the requirements of the Corporations Act.</p> <p>Conrad will be required to comply with the ASX Listing Rules, subject to any waivers obtained by Conrad from time to time. ASX takes no responsibility for this Prospectus or the investment to which it relates. The fact that ASX may admit Conrad to the Official List is not to be taken as an indication of the merits of Conrad or the Offer.</p>
When are the CDIs expected to commence trading?	<p>It is expected that Completion will occur, and trading (on a normal settlement basis) of CDIs on ASX will commence, on Wednesday, 26 October 2022.⁵³</p> <p>It is the responsibility of each applicant to confirm their holding before trading in CDIs. Applicants who sell CDIs before they receive an initial statement of holding do so at their own risk. The Company, the Share Registry and the Joint Lead Managers disclaim all liability, whether in negligence or otherwise, to persons who sell CDIs before receiving their initial statement of holding, even if such person received confirmation of allocation from the Joint Lead Managers, a broker or otherwise.</p>
Are there any escrow arrangements?	<p>Yes. Details are provided in Section 6.18.</p>
Has any ASIC relief or ASX waiver been obtained or been relied on?	<p>No.</p>
Are there any Australian taxation considerations?	<p>You may be subject to Australian income tax or withholding tax on any future dividends paid. Tax consequences of any investment in CDIs will depend upon your particular circumstances. Applicants should obtain their own Australian and foreign tax advice prior to deciding whether to invest.</p> <p>For further general information in respect of Australian tax, refer to Section 8.19.</p>
Are there any brokerage, commission or Australian stamp duty considerations?	<p>No brokerage, commission or Australian stamp duty is payable by applicants on acquisitions of CDIs under the Offer.</p> <p>See Section 8.7 for details of various fees payable by the Company to the Joint Lead Managers.</p>

53. This date is subject to change. The admission of the Company to the official list of ASX and quotation and commencement of trading of CDIs is subject to confirmation from ASX. These processes may complete before or after the scheduled date for Completion, in which case Completion and each of the dates that follow that date may also change.

Topic	Summary
What should you do with any enquiries?	<p>All enquiries in relation to this Prospectus should be directed to the Offer Information Line on 1300 737 760 (toll free from within Australia) or +61 2 9290 9600 (from outside of Australia) between 9am to 5pm AEST (Sydney, Australia), Business Days during the Offer period or via email at corporateactions@boardroomlimited.com.au.</p> <p>If you are unclear in relation to any matter or are uncertain as to whether Shares are a suitable investment for you, you should seek professional guidance from your solicitor, stockbroker, accountant, financial adviser or other independent professional adviser before deciding whether to invest.</p>

7.3 Offer Structure

The Offer comprises:

- the Broker Firm Offer, which is open to Australian retail clients of Brokers who have received a firm allocation from their Broker;
- the Priority Offer, which is open to investors who have received an invitation to participate in the Offer from the Company;
- the Institutional Offer, which consists of an invitation to certain Institutional Investors in the Permitted Jurisdictions to apply for CDIs; and
- the Public Offer, which is made to the general public.

Members of the public wishing to apply for CDIs under the Offer can do so via the Application Form (attached to or accompanying this Prospectus or available online via <https://conradasia.com/>).

Details of the Broker Firm Offer and the allocation policy under it are described in Section 7.4. Details of the Priority Offer and the allocation policy under it are described in Section 7.5. Details of the Institutional Offer and the allocation policy under it are described in Section 7.6. Details of the Public Offer and the allocation policy under it are described in Section 7.7. The allocation of CDIs between the Broker Firm Offer, the Priority Offer and the Institutional Offer was determined by the Joint Lead Managers in consultation with Conrad, having regard to the allocation policy set out in Sections 7.4(f), 7.5(f), 7.6(b) and 7.7(b).

7.4 Broker Firm Offer

(a) Who can apply

The Broker Firm Offer is open to Australian resident retail clients of participating Brokers who have a registered address in Australia, received an invitation from a Broker to acquire CDIs under this Prospectus and are not in the US, a US Person or acting for the account or benefit of a US Person. You should contact your Broker to determine whether you can receive an allocation of CDIs from them under the Broker Firm Offer.

(b) How to apply?

Applications for CDIs may only be made on a Broker Firm application form attached to or accompanying this Prospectus which may be downloaded in its entirety from www.conradasia.com/prospectus. If you are an investor applying under the Broker Firm Offer, you should complete and lodge your Broker Firm application form with the Broker from whom you received your firm allocation. Broker Firm application forms must be completed in accordance with the instructions given to you by your Broker and the instructions set out on the Broker Firm application form.

By making an application, you declare that you were given access to this Prospectus (or any replacement Prospectus), together with a Broker Firm application form. The Corporations Act prohibits any person from passing an application form to another person unless it is attached to, or accompanied by, a hard copy of this Prospectus or the complete and unaltered electronic version of this Prospectus.

7. Details of the Offer Cont.

The minimum application under the Broker Firm Offer is 2,000 CDIs (approximately A\$2,920). There is no maximum value of CDIs that may be applied for under the Broker Firm Offer. However the Company and the Joint Lead Managers reserve the right to aggregate any applications which they believe may be multiple applications from the same person or reject or scale back any applications in the Broker Firm Offer. The Company may determine a person to be eligible to participate in the Broker Firm Offer, and may amend or waive the Broker Firm Offer application procedures or requirements, at its discretion in compliance with applicable laws.

Applicants under the Broker Firm Offer must lodge their Broker Firm application form and application monies with the relevant Broker in accordance with the relevant Broker's directions in order to receive their firm allocation. Applicants under the Broker Firm Offer must not send their Broker Firm application forms to the Share Registry.

The Broker Firm Offer opens at 10.00am (Sydney time) on Monday, 19 September 2022 and is expected to close at 5.00pm (Sydney time) on Friday, 14 October 2022. The Company and the Joint Lead Managers may elect to extend the Offer or any part of it, or accept late applications either generally or in particular cases. The Offer, or any part of it, may be closed at any earlier date and time, without further notice. Your Broker may also impose an earlier closing date. Applicants are therefore encouraged to submit their applications as early as possible. Please contact your Broker for instructions.

The Company, the Joint Lead Managers and the Share Registry take no responsibility for any acts or omissions committed by your Broker in connection with your application.

(c) How to pay

Applicants under the Broker Firm Offer must pay their application monies in accordance with instructions received from their Broker.

(d) Acceptance of applications

An application in the Broker Firm Offer is an offer by an applicant to subscribe for CDIs in the amount specified on the Broker Firm application form at the Offer Price on the terms and conditions set out in this Prospectus (including any supplementary or replacement prospectus) and the Broker Firm application form. To the extent permitted by law, an application by an applicant under the Offer is irrevocable.

An application may be accepted by the Company in respect of the full number of CDIs specified on the Broker Firm application form, without further notice to the applicant. Acceptance of an application will give rise to a binding contract.

(e) Application monies

The Company reserves the right to decline any application in whole or in part, without giving any reason. Applicants under the Broker Firm Offer whose applications are not accepted, or who are allocated a lesser number of CDIs than the amount applied for, will receive a refund of all or part of their application monies, as applicable. Interest will not be paid on any monies refunded.

Applicants whose applications are accepted in full will receive the whole number of CDIs calculated by dividing the application amount by the Offer Price. Where the Offer Price does not divide evenly into the application amount, the number of CDIs to be allocated will be determined by the applicant's Broker.

(f) Broker Firm Offer allocation policy

The allocation of CDIs to Brokers has been determined by the Joint Lead Managers and the Company. CDIs that have been allocated to Brokers for allocation to their clients will be issued or transferred to the applicants nominated by those Brokers (subject to the right of Company and the Joint Lead Managers to reject, aggregate or scale back applications). It will be a matter for each Broker as to how they allocate CDIs among their retail clients, and they (and not the Company or the Joint Lead Managers) will be responsible for ensuring that retail clients who have received an allocation from them receive the relevant CDIs.

The Company expects to announce the final allocation policy under the Broker Firm Offer on or about Completion. Applicants under the Broker Firm Offer will also be able to confirm their allocation through the Broker from whom they received their allocation.

7.5 Priority Offer

(a) Who can apply?

The Priority Offer is open to investors who have received an invitation to participate in the Priority Offer from the Company. If you have been invited by the Company to participate in the Priority Offer, you will be treated as an applicant under the Priority Offer in respect of those CDIs that are allocated to you.

(b) How to apply?

If you have received an invitation from the Company to participate in the Priority Offer, you will be separately advised of the application procedures under the Priority Offer.

(c) How to pay?

The minimum application under the Priority Offer is 2,000 CDIs (approximately A\$2,920).

(d) Acceptance of applications

An application in the Priority Offer is an offer by an applicant to the Company to subscribe for CDIs in the amount specified on the Priority Offer application form at the Offer Price on the terms and conditions set out in this Prospectus (including any supplementary or replacement prospectus) and the Priority Offer application form. To the extent permitted by law, an application is irrevocable.

An application may be accepted by the Company and the Joint Lead Managers in respect of the full number of CDIs specified on the Priority Offer application form or any of them, without further notice to the applicant. Acceptance of an application will give rise to a binding contract.

(e) Applications monies

The Company reserves the right to decline any application in whole or in part, without giving any reason. Applicants under the Priority Offer whose applications are not accepted, or who are allocated a lesser number of CDIs than the amount applied for will receive a refund of all or part of their application monies, as applicable. Interest will not be paid on any monies refunded.

Applicants whose applications are accepted in full will receive the whole number of CDIs calculated by dividing the application amount by the Offer Price. Where the Offer Price does not divide evenly into the application amount, the number of CDIs to be allocated will be determined by the Company.

You should ensure that sufficient funds are held in the relevant account to cover the amount of your BPAY® or electronic funds transfer payment. You may also pay by cheque or bank draft, ensuring that sufficient funds are held in the relevant account to cover the amount of your cheque or bank draft payment.

If payment for application monies (or the amount for which those cheque or bank draft clear in time for allocation) is less than the amount specified on the application form, you may be taken to have applied for such lower dollar amount of CDIs or your application may be rejected. All payments must be made in Australian dollars.

(f) Priority Offer allocation policy

The Company will determine the allocation of CDIs to applicants under the Priority Offer and may reject an application or allocate fewer CDIs than applied for.

7.6 Institutional Offer

(a) Invitations to bid

Conrad invites certain eligible Institutional Investors to bid for CDIs in the Institutional Offer. The Institutional Offer will comprise an invitation to:

- Institutional Investors outside the United States made under this Prospectus; and
- Institutional Investors in the United States made under the US Offering Circular.

7. Details of the Offer Cont.

(b) Allocation policy under the Institutional Offer

The allocation of CDIs among bidders in the Institutional Offer will be determined by agreement between the Joint Lead Managers and the Company. The Company and the Joint Lead Managers have absolute discretion regarding the basis of allocation of CDIs among Institutional Investors.

The initial determinant of the allocation of CDIs under the Institutional Offer will be the Offer Price. Bids lodged below the Offer Price will not receive an allocation of CDIs.

The allocation policy will also be influenced by, but not constrained by, the following factors:

- the price and number of CDIs bid for by particular bidders;
- Conrad's desire for an informed and active trading market following listing on ASX;
- Conrad's desire to establish a wide spread of institutional securityholders;
- the overall level of demand under the Broker Firm and Institutional Offers;
- the timeliness of the bid by particular bidders; and
- any other factors that the Company and the Lead Managers consider appropriate, in their sole discretion.

7.7 Public Offer

(a) How to apply

Applications for Shares under the Public Offer can be made using the Application Form accompanying this Prospectus. The Application Form must be completed in accordance with the instructions set out on the form.

No brokerage, stamp duty or other costs are payable by Applicants.

Option 1: Submit an online Application Form and pay with BPAY®

For online applications, investors can apply online with payment made electronically via BPAY®. Investors applying online will be directed to use an online Application Form and make payment by BPAY®. Applicants will be given a BPAY® biller code and a customer reference number (**CRN**) unique to the online Application once the online Application Form has been completed.

BPAY® payments must be made from an Australian dollar account of an Australian institution. Using the BPAY® details, Applicants must:

- access their participating BPAY® Australian financial institution either via telephone or internet banking;
- select to use BPAY® and follow the prompts; enter the biller code and unique CRN that corresponds to the online Application;
- enter the amount to be paid which corresponds to the value of Shares under the online Application Form;
- select which account payment is to be made from;
- schedule the payment to occur on the same day that the online Application Form is completed. Applications without payment will not be accepted; and
- record and retain the BPAY® receipt number and date paid.

Investors should confirm with their Australian financial institution whether there are any limits on the Investor's account that may limit the amount of any BPAY® payment and the cut off time for the BPAY® payment.

Investors can apply online by following the instructions at <https://conradasia.com/> and completing a BPAY® payment. If payment is not made via BPAY®, the Application will be incomplete and will not be accepted. The online Application Form and BPAY® payment must be completed and received by no later than the Closing Date.

Option 2: Submit an online Application Form and pay via Electronic Funds Transfer “EFT”

Investors can apply online with payment made electronically via EFT. Investors applying online will be directed to use an online Application Form and will be given a payment reference number unique to the online Application once the online Application Form has been completed.

EFT payments will be received in Australian dollars. Any foreign currency transfers using EFT payments will be automatically converted to Australian dollars and any bank fees or other fees deducted could result in an adjustment to the number of CDIs applied for under the Offer. Using EFT payment details, Applicants must:

- use the unique payment reference number that corresponds to the online Application Form;
- enter the amount to be paid which corresponds to the value of Shares under the online Application Form;
- select which account payment is to be made from;
- schedule the payment to occur on the same day that the online Application Form is completed. Applications without payment will not be accepted; and
- record and retain the EFT receipt number and date paid.

Applicants should confirm with their Australian financial institution whether there are any limits on the Applicant’s account that may limit the amount of any EFT payment and the cut off time for the funds transfer.

An original, completed and lodged Application Form together with confirmation of BPAY® or EFT payment for the Application Monies, constitutes a binding and irrevocable offer to subscribe for the number of Shares specified in the Application Form. The Application Form does not need to be signed to be valid. If the Application Form is not completed correctly or if the accompanying payment is for the wrong amount, it may be treated by the Company as valid. The Directors’ decision as to whether to treat such an Application as valid and how to construe amend or complete the Application Form is final; however an applicant will not be treated as having applied for more Shares than is indicated by the amount of the BPAY® or EFT for the Application Monies.

It is the responsibility of Applicants outside of Australia to obtain all necessary approvals for the allotment and issue of Shares pursuant to this Prospectus.

The Public Offer may be closed at an earlier date and time at the discretion of the Directors, without prior notice. Applicants are therefore encouraged to submit their Application Forms as early as possible. However, the Company reserves the right to extend the Public Offer or accept late Applications.

Applications under the Public Offer must be for a minimum of 2,000 CDIs (\$2,920).

Applications for Shares under the Public Offer must be made on the relevant Application Form accompanying this Prospectus and received by the Company on or before the Closing Date.

(b) Allocation policy under the Public Offer

The Company retains an absolute discretion to allocate Shares under the Public Offer and reserves the right, in its absolute discretion, to allot to an Applicant a lesser number of Shares than the number for which the applicant applies or to reject an Application Form. If the number of Shares allotted is fewer than the number applied for, surplus application money will be refunded without interest as soon as practicable.

No Applicant under the Public Offer has any assurance of being allocated all or any Shares applied for. The allocation of Shares by Directors (in conjunction with the Joint Lead Managers) will be influenced by the following factors:

- the number of Shares applied for;
- the overall level of demand for the Public Offer;
- the timeliness of the bid by particular Applicants;
- the desire for a spread of investors, including Institutional Investors;
- recognising the ongoing support of existing Shareholders;
- the likelihood that particular Applicants will be long-term Shareholders;

7. Details of the Offer Cont.

- the desire for an informed and active market for trading Shares following listing;
- ensuring an appropriate Shareholder base for the Company going forward; and
- any other factors that the Company and the Joint Lead Managers consider appropriate.

The Company will not be liable to any person not allocated Shares or not allocated the full amount applied for.

7.8 Restrictions on Distribution

No action has been taken to register or qualify this Prospectus, the CDIs or the Offer or otherwise to permit a public offering of the CDIs in any jurisdiction outside Australia.

This Prospectus does not constitute an offer in any place outside Australia where, or to any person to whom, it would not be lawful to make such offer. No action has been taken to register or qualify the CDIs or the Offer, or to otherwise permit a public offer of the CDIs, in any jurisdiction outside Australia.

The distribution of this Prospectus outside Australia may be restricted by law and persons who come into possession of this Prospectus should observe any such restrictions. Any failure to comply with such restrictions could constitute a violation of applicable securities laws. In particular, this Prospectus may only be distributed in the United States to Institutional Investors by the Joint Lead Managers through their respective registered US broker-dealers and only if this Prospectus is accompanied by the US Offering Circular.

Each Applicant to whom the Offer is made under this Prospectus will be taken to have represented, warranted and agreed that such person:

- understands that the CDIs (i) have not been, and will not be, registered under the US Securities Act or the securities laws of any state or other jurisdiction of the United States; and (ii) may not be offered or sold in the United States except in transactions exempt from, or not subject to, registration requirements of the US Securities Act and any other applicable US state securities laws;
- is resident or domiciled in Australia or, if outside Australia, is an Institutional Investor; and
- has not sent and will not send this Prospectus or any other material relating to the Offer to any person in the United States or elsewhere outside Australia.

For further information regarding the selling restrictions applicable to jurisdictions outside of Australia, please refer to Annexure C.

7.9 Discretion regarding the Offer

Conrad may withdraw the Offer at any time before the issue or transfer of CDIs to successful applicants under the Offer. If the Offer (or any part of it) does not proceed, all relevant application monies will be refunded (without interest).

Conrad also reserves the right to, subject to the Corporations Act and the Listing Rules, close the Offer or any part of it early, extend the Offer or any part of it, accept late Applications or bids either generally or in particular cases, reject any Application or bid, or allocate to any applicant or bidder fewer CDIs than applied or bid for. Conrad may accept Applications in its discretion, and the Offer remains open for it to do so, under this Prospectus until admission of Conrad to the Official List.

7.10 ASX listing, registers and holding statements

(a) Application to the ASX for listing and quotation of CDIs

Conrad will apply to the ASX within seven days of the Prospectus Date for Admission and quotation of the CDIs on the ASX. Conrad's ASX code is expected to be CRD.

The ASX takes no responsibility for this Prospectus or the investment to which it relates. The fact that the ASX may admit Conrad to the Official List is not to be taken as an indication of the merits of Conrad or the CDIs offered for subscription under the Offer.

If permission is not granted for the Official Quotation of the CDIs on the ASX within three months after the Prospectus Date (or any later date permitted by law), all application monies received by Conrad will be refunded (without interest) as soon as practicable in accordance with the requirements of the Corporations Act.

On Admission, Conrad will be required to comply with the ASX Listing Rules, subject to any waivers obtained by Conrad from time to time.

(b) CHES and issuer sponsored holdings

Conrad will apply to participate in the ASX's CHES and will comply with the ASX Listing Rules and ASX Settlement Operating Rules. CHES is an electronic transfer and settlement system for transactions in securities quoted on the ASX under which transfers are effected in an electronic form. Refer to Section 8.11 for more information on CHES and CDIs.

When the CDIs become approved financial products (as defined in the ASX Settlement Operating Rules), holdings will be registered in one of two sub-registers, being an electronic CHES sub-register or an issuer sponsored sub-register. For all successful applicants, the CDIs of an investor who is a participant in CHES or an investor sponsored by a participant in CHES will be registered on the CHES sub-register. All other CDIs will be registered on the issuer-sponsored sub-register.

Following Completion, CDI holders will be sent an allotment notice or a holding statement that sets out the number of CDIs that have been allocated to them. This statement will also provide details of CDI holders' Holder Identification Number (**HIN**) for CHES holders or, where applicable, the Shareholder Reference Number (**SRN**) of issuer-sponsored holders. The CDI holder will subsequently receive statements showing any changes to their holding. Certificates will not be issued.

CDI holders will receive subsequent statements during the first week of the following month if there has been a change to their holding on the register and as otherwise required under the ASX Listing Rules and the Corporations Act. Additional statements may be requested at any other time either directly through the CDI holder's sponsoring broker in the case of a holding on the CHES sub-register or through the Registry in the case of a holding on the issuer-sponsored sub-register. The Company and the Registry may charge a fee for these additional issuer sponsored statements.

(c) Selling CDIs on-market

It is expected that trading on ASX will commence on or about Wednesday, 26 October 2022. It is the responsibility of each person who trades in CDIs to confirm their own holding before trading in CDIs. If you sell CDIs before receiving a holding statement, you do so at your own risk. The Company, the Registry and the Joint Lead Managers disclaim all liability, whether in negligence or otherwise, if you sell CDIs before receiving your holding statement, even if you obtained details of your holding statement from the Conrad Offer Information Line or confirmed your firm allocation through a Broker.



8. Additional Information

8. Additional Information

8.1 Incorporation

Conrad was incorporated under the laws of Singapore on 17 December 2010. On 21 February 2022, Conrad was registered as a foreign company under Chapter 5B of the Corporations Act.

8.2 Current Capital Structure

The capital structure of the Company as at the Prospectus Date and as at Completion is summarised in Section 6.11. The rights and liabilities attaching to the Company's CDIs are summarised at Section 8.12 of this Prospectus.

The capital structure of Conrad as at the date of this Prospectus is set out in the table below:

Shares on Issue ¹	122,423,208
Loan Warrants on Issue	6,769,232

Note:

1. Does not include the conversion of 6,153,863 SAFEs into Shares.

After the Prospectus date and prior to Completion on 25 September 2022, 2,080,000 Options and 3,844,616 Share Rights will be issued to certain directors and employees of the Company. Further details of Share Rights and Options are described in Section 6.13.

Immediately prior to Completion, 6,153,863 Shares and 3,076,942 SAFE Warrants will be issued pursuant to the conversion of the SAFE. Further details of the Shares and SAFE Warrants to be issued pursuant to the SAFE is summarised in Section 6.15 and 6.16.

8.3 Shares

(a) Shareholders

The Company has approximately 78 registered shareholders on the Prospectus Date.

(b) Substantial Shareholders

The table below sets out the Shareholders who hold a substantial interest in Shares on Completion, and also includes their respective interest at the Prospectus Date:

Shareholder	Number of Shares held at Prospectus Date ¹	% of Shares held at Prospectus Date ¹	Number of Shares held on Completion	Before accepting Over-subscriptions (A\$45 million)	Assuming all Over-subscriptions are accepted (A\$55 million)
				% of Shares held on Completion	% of Shares held on Completion
Inspired International Limited	18,125,656	14.1%	18,125,656	11.4%	10.9%
Miltos Xynogalas	15,322,288	11.9%	15,322,288	9.6%	9.2%
Transworld Oil Inc.	14,400,000	11.2%	14,400,000	9.0%	8.7%
Mario Traviati	11,587,007	9.0%	11,587,007	7.3%	7.0%
HCM I Conrad Petro Limited	9,200,000	7.2%	9,200,000	5.8%	5.5%
Total	68,634,951	53.4%	68,634,951	43.1%	41.3%

Note:

1. Including the conversion of 6,153,863 SAFEs into Shares.

8. Additional Information Cont.

8.4 Warrants and Options

(a) Warrants and Options on issue

On Completion, the Company will have 11,926,174 Warrants and Options on issue which are exercisable in respect to 11,926,174 Shares in aggregate (representing approximately 6.81% of the Company's issued share capital at Completion).

The table below contains a summary of the exercise prices, expiry dates and number of Warrants and Options Conrad currently has on issue. More detailed information regarding the Warrants is contained in Sections 6.13, 6.14 and 6.16.

Type	Exercise Price	Number of Warrants	Number of Shares upon exercise of Warrants	Expiry
Loan Warrants	US\$0.81	6,769,232	6,769,232	14 June 2026
Options	US\$0.81	2,080,000	2,080,000	25 September 2027
SAFE Warrants	US\$1.22 ¹	3,076,942	3,076,942	Date that is 2 years from the date of Completion
	Total	11,926,174	11,926,174	

Note:

1. The Exercise Price is 150% of the Conversion Price.

8.5 Material Contracts and Licenses

In addition to the executive employment and consultant agreements set out in Section 6.5 and the Offer Management Agreement set out in Section 8.7, the Company has the following material contracts:

(a) Duyung PSC

Signing date	<ul style="list-style-type: none"> 16 January 2007 Amended and Restated Duyung PSC: 17 January 2019
Parties	<ul style="list-style-type: none"> (a) SKK Migas; and (b) Duyung Contractors being WNEL; Emphyrean Energy PLC (Emphyrean), and Coro Energy PLC (Coro).
Participating Interest	<ul style="list-style-type: none"> WNEL: 76.5% Emphyrean: 8.5% Coro: 15.0%
Nature/purpose/scope of document	<p>The Duyung PSC is a gross split PSC.</p> <p>SKK Migas is responsible for the management of the petroleum operations contemplated under the PSC.</p> <p>WNEL is responsible for all financial and technical assistance, including skills required for operations in the Contract Area.</p>
Contract Area	Offshore Natuna sea, Riau Islands province, Indonesia.

Contract Term	30 years from 16 January 2007 (i.e. to 15 January 2037).
Base Split	<p>Base split is base fiscal split of each party share to the production of crude oil and natural gas as with the composition as follows:</p> <ul style="list-style-type: none"> • Crude Oil: SKK Migas is entitled to 57% share while the Duyung Contractors is entitled to 43% share. • Natural Gas: SKK Migas is entitled to 52% share while the Duyung Contractors is entitled to 48% share. <p>The base split for Conrad and the other Contractors is then adjusted having regard to certain variable and progressive components, such that the gross split of natural gas, after considering additional variable split for the contractors, for Mako field 32% for SKK Migas and 68% for the Duyung Contractors. Depending on the actual condition of the natural gas price and production realization, the above gross Split will be further adjusted by the Progressive Component set out under the Duyung PSC.</p> <p>If the field(s) does not reach or otherwise exceeds a certain commercialisation threshold, MEMR may stipulate additional production sharing splits for either party.</p>
Domestic Market Obligations (DMO)	<p>The Duyung Contractors are subject to the DMO requirement set out under the Duyung PSC where 25% of their share of the oil and gas production (out of its equity share of production) must be sold in Indonesia to meet domestic needs. Because the Mako Field does not include any crude oil production, this DMO obligation is only relevant for the natural gas production.</p> <p>Even if the DMO obligation applies for natural gas production, if the Government could not identify domestic demand for the natural gas or if arms-length commercial negotiation with potential domestic buyer fails, then the contractors may sell the natural gas to the international market after securing the Government of Indonesia approval. However, the existing WNTS pipeline where the produced gas will be distributed to has only export outlet with no connecting pipeline to supply domestic demands. Accordingly, domestic buyers will need to first construct a domestic supply pipeline that ties-in to the existing WNTS pipeline in order to purchase the gas produced from the Mako Field and triggers the Duyung PSC Contractors DMO obligations.</p> <p>It is therefore unlikely that the DMO obligations would apply for the Duyung PSC.</p>
Fees and Bonuses	<ul style="list-style-type: none"> • Signature bonus: US\$ 1,400,000. • Equipment bonus: provide to the Government of Indonesia in kind equipment/services to the value of US\$125,000.

8. Additional Information Cont.

Title to Oil and Gas	Title to crude oil and natural gas is transferred to the Duyung Contractor at the point of delivery.
Data and Reports	<p>The Contractor must submit copies of all original geological, geophysical, drilling, and well, production and other data and report as it may compile during the term of the Contract to SKK Migas.</p> <p>SKK Migas must not disclose all original data resulting from the petroleum operations including but not limited to geological, geophysical, petrophysical, engineering, well logs, and completion, status reports, and any other data as the Duyung Contractor may compile during the term of Duyung PSC to third parties without informing Contractor and obtaining the consent of the Government of Indonesia (MEMR) for disclosure of such data.</p>
Termination	<p>The Duyung Contractor may terminate the PSC if in the opinion of Duyung Contractor the circumstances do not warrant continuation of Petroleum Operations, by giving written notice to SKK Migas and after consultation with SKK Migas, it may relinquish its rights and be relieved of its obligations under the PSC, except such rights and obligations as they relate to the period prior to relinquishment.</p> <p>SKK Migas may terminate the PSC if the Duyung Contractor defaults on its obligations, and the Duyung Contractor has not remedied the default after 120 days.</p>
Dispute Resolution	<ul style="list-style-type: none"> • Arbitration under the United Nations Commission on International Trade Law (UNCITRAL) arbitration rules. • Place of arbitration is Indonesia.
Governing law	Laws of the Republic of Indonesia.

(b) Duyung Joint Operating Agreement (Duyung JOA)

The Duyung JOA, which was entered into on 21 May 2021, defines the parties' respective rights and obligations with respect to petroleum operations conducted under the Duyung PSC. The form of the Duyung JOA is generally consistent with the model contracts issued by the Association of International Petroleum Negotiators (AIPN).

Parties	<table border="1"> <thead> <tr> <th data-bbox="504 600 970 645">Party</th> <th data-bbox="976 600 1437 645">Participating Interest</th> </tr> </thead> <tbody> <tr> <td data-bbox="504 654 970 687">WNEL</td> <td data-bbox="976 654 1437 687">76.5%</td> </tr> <tr> <td data-bbox="504 696 970 730">Empyrean</td> <td data-bbox="976 696 1437 730">8.5%</td> </tr> <tr> <td data-bbox="504 739 970 772">Coro</td> <td data-bbox="976 739 1437 772">15.0%</td> </tr> </tbody> </table>	Party	Participating Interest	WNEL	76.5%	Empyrean	8.5%	Coro	15.0%
Party	Participating Interest								
WNEL	76.5%								
Empyrean	8.5%								
Coro	15.0%								
Rights and Obligations Related to Participating Interest	<p>Unless otherwise provided, all the rights and interests in and under the Duyung PSC, (including joint property and any hydrocarbons produced) are owned by the parties in proportion to their respective participating interests. Such rights and interests are owned and held severally.</p>								
Operator	<p>WNEL</p>								
Operating Committee and Voting Pass Mark	<p>An operating committee has been established to supervise and provide direction on the conduct of the joint operations (Operating Committee). Each party is entitled to appoint one representative and one alternate representative to the Operating Committee, and each representative or alternative representative will have a vote equal to the participating interest of the party such representative represents.</p> <p>Save for matters which require a unanimous vote of all parties, all matters before the Operating Committee are decided by a vote representing at least 75% of the Participating Interests.</p> <p>The following matters require the affirmative vote of 2 or more unrelated parties holding collectively at least 75% of the Participating Interests:</p> <ul style="list-style-type: none"> • approval of any "Development Plan" or material revision of any approved Development Plan; • approval of a "Development Work Program and Budget" or material revision of any Development Work Program and Budget; and • any transaction with an affiliate of WNEL as operator. 								
Applicable Law and Dispute Resolution	<p>The JOA is governed by English law.</p> <p>Any dispute under the JOA is to be resolved by arbitration in accordance with the Rules of the Singapore International Arbitration Centre (SIAC).</p>								

8. Additional Information Cont.

(c) Offshore Mangkalihahat PSC

Signing date	<ul style="list-style-type: none"> • 15 May 2013. • Amended Offshore Mangkalihahat PSC: 11 November 2019.
Parties	<p>(a) SKK Migas; and</p> <p>(b) Contractor: Conrad Petroleum OM Pte., Ltd. (Conrad OM).</p>
Participating Interest	Conrad OM: 100%
Nature/purpose/scope of document	<p>The Offshore Mangkalihahat PSC is a cost recovery PSC.</p> <p>Conrad is responsible for and provides all the financial and technical assistance, including skills required for the exploration, development, extraction, producing, transportation marketing, abandonment and site restoration operations (Petroleum Operations) in Contract Area.</p> <p>SKK Migas is responsible for the management of the Petroleum Operations.</p>
Contract Area	Offshore East Kalimantan, Indonesia.
Contract Term	30 years from 15 May 2013 (i.e. to 15 May 2043).
Domestic Market Obligations (DMO)	<p>Crude Oil</p> <p>Conrad OM is subject to the DMO requirement set out under the Offshore Mangkalihahat PSC where 25% of their share of the oil and gas production (out of its equity share of production) must be sold in Indonesia to meet domestic needs.</p> <p>Price:</p> <p>The price of crude oil sold by Conrad to meet the DMO shall be a 25% discount to the price sold to third parties with the following exceptions:</p> <ol style="list-style-type: none"> 1. Conrad OM is granted DMO holiday for the first five years of crude oil production. The price of the crude oil supplied to domestic buyer shall be valued at market price. 2. In the event that the proceeds of the discounted price for the DMO crude oil is not sufficient to cover the contractor's operating cost (after deduction for first tranche petroleum), then Conrad OM may sell the crude price at market price. <p>Natural Gas</p> <p>From the 25% of the quantity of Natural Gas proven reserves, Conrad is required to allocate their gas entitlement to supply domestic market. The price of the gas supplied to meet domestic market shall be valued at market price. However, if the Government of Indonesia could not identify domestic demand for the natural gas or if arms-length commercial negotiation with potential domestic buyer fails, then the contractors may sell the natural gas to the international market after securing the Government of Indonesia approval.</p>

Allocation of Production	<p>Crude Oil Entitlement</p> <p>SKK Migas 41.6667% of production Contractor 58.3333% of production</p> <p>Natural Gas Entitlement</p> <p>SKK Migas 33.3333% of production Contractor 66.6667% of production</p>						
First Tranche Petroleum (FTP)	<p>SKK Migas and the Contractor are entitled to 20% of petroleum production each year before any deductions for recovery of operating costs and handling of production (Mangkalihat First Tranche Petroleum).</p>						
Valuation of Petroleum	<p>Crude</p> <p>All crude oil taken by Conrad OM for its share and the share for the recovery of Operating Costs and sold to third parties shall be valued at the Net Realized Price FOB Indonesia received by Conrad OM for such Crude Oil.</p> <p>All SKK Migas' Crude Oil taken by Conrad OM and sold to third parties shall be valued at the Net Realized Price FOB Indonesian received by Conrad OM for such Crude Oil.</p> <p>Natural Gas</p> <p>Natural gas sales to third parties is valued at the contract sales price.</p> <p>Valuation of natural gas to any other party is valued at 3 months weighted average from sales to third parties (excluding commissions and brokerages fee). If there are no third party sales, then the Indonesian value of natural gas with a similar quality and specification shall apply.</p>						
Fees and Bonuses	<table border="1"> <tr> <td data-bbox="515 1346 751 1379">Signature Bonus</td> <td data-bbox="791 1346 959 1379">US\$ 1,500,000</td> </tr> <tr> <td data-bbox="515 1391 751 1424">Equipment bonus</td> <td data-bbox="791 1391 1398 1447">Provide to Government in kind equipment/services in value not exceeding US\$ 50,000</td> </tr> <tr> <td data-bbox="515 1458 751 1491">Production bonus</td> <td data-bbox="791 1458 1382 1570"> US\$ 250,000 after production reaches 25 MMBOE US\$ 500,000 after production reaches 50 MMBOE US\$ 750,000 after production reaches 75 MMBOE </td> </tr> </table>	Signature Bonus	US\$ 1,500,000	Equipment bonus	Provide to Government in kind equipment/services in value not exceeding US\$ 50,000	Production bonus	US\$ 250,000 after production reaches 25 MMBOE US\$ 500,000 after production reaches 50 MMBOE US\$ 750,000 after production reaches 75 MMBOE
Signature Bonus	US\$ 1,500,000						
Equipment bonus	Provide to Government in kind equipment/services in value not exceeding US\$ 50,000						
Production bonus	US\$ 250,000 after production reaches 25 MMBOE US\$ 500,000 after production reaches 50 MMBOE US\$ 750,000 after production reaches 75 MMBOE						
Title to oil and gas	<p>Title to crude oil and natural gas is transferred to OM at the point of export, or in the case oil delivered to SKK Migas, at the point of delivery.</p>						
Indonesian Participation	<p>SKK Migas has the right to demand from OM that 10% participating interest in the total rights and obligations under the PSC be offered to a BUMD or an Indonesian National Company (INC).</p>						

8. Additional Information Cont.

Termination	<p>OM may terminate the PSC, if in its opinion the circumstances do not warrant continuation of petroleum operations, by giving written notice to SKK Migas and after consultation with SKK Migas, it may relinquish its rights and be relieved of its obligations under the PSC, except such rights and obligations as they relate to the period prior to relinquishment.</p> <p>If at any time Conrad OM has failed to perform as a reasonable and prudent operator and has failed to fulfil any of its obligations under the PSC, SKK Migas shall have the right to issue Conrad OM a “Performance Deficiency Notice”. Upon receipt of Performance Deficiency Notice, Conrad OM has 120 days to remedy the breach. If Conrad OM fails to remedy such breach within 120 days or the Parties fail to agree on an extension of the grace period, SKK Migas may terminate the PSC.</p>
Assignment	<p>Conrad OM can sell, assign, transfer, convey or otherwise dispose all of its rights and interests under the PSC (other than to its affiliates), with a prior written consent from SKK Migas and the Government of Indonesia.</p>
Dispute Resolution	<ul style="list-style-type: none"> • Arbitration under the rules of the United Nations Commission on International Trade Law (UNCITRAL). • Place of arbitration is Indonesia.
Governing law	<p>Laws of the Republic of Indonesia.</p>

8.6 Joint Studies

(a) Offshore North West Aceh (ONWA)

On 23 November 2018, MEMR granted Conrad approval to request for Direct Appointment of Tender through the Joint Study plan (**ONWA Approval**). ONWA Approval gave Conrad access to conduct a Joint Study in the Offshore North West Aceh area, which covers an area of 9,236.20 km² for a period of 8 months (23 November 2018 to 23 July 2019).

All of the data recovered in carrying out the joint study must remain confidential unless there is an approval to publish it from MEMR. The ONWA Approval applies only to Conrad and that approval cannot be transferred to any other entities.

Conrad has submitted the data obtained during the Joint Study to DGOG and has met all other requirements pursuant to the ONWA Approval and the applicable regulations.

Accordingly, Conrad will be granted a right to match during tender process pursuant to MEMR Regulation 5/2012 (as revoked by MEMR Regulation 35/2021) The commencement of the tender process of the working area, however, is entirely controlled by MEMR. An outline of that process is summarised in Section 2.5(d)(iii).

The tender process is currently ongoing with the following dates for submission and PSC award:

Access Bid Document	20 July – 2 September 2022
End of Bid Submission	6 September 2022
Right to Match Acceptance	13 September 2022
Bid Winner Announcement	4 October 2022
Winner Acceptance	28 October 2022
Signing PSC Contract	4 December 2022

Result of the ONWA Joint Study

2D Seismic Data	2,260 km
2D Seismic Data (Reprocessing)	237.81 km
Geology Regional	ONWA is located in the western waters of Aceh. From a tectonic point of view, ONWA is located in the arch-trench system of Sumatra on a fore-arc basin.
Geology Discovery	Hydrocarbon Material
Potential Play Concept	Carbonate Build-up with Petroleum System: <ul style="list-style-type: none"> • Source Rock: Potential Source Rock is Lacustrine “Brown Shale” Type I or Coaly Paralic Type III. • Reservoir: Main target is Upper Miocene – Pliocene Carbonate Build-up in pinnacle and other target is clastic Eocene – Oligocene. • Seal: Upper Miocene/Pliocene marine silt/shale.
Post Mortem	Based on the 6 well data used, it shows the potential for hydrocarbons in the Joint Study Area which is indicated by gas discovery in the Keudepasi-1 well data, Meulaboh East-2 well data and Meulaboh-1 well data with test results DST#1 at a depth of 3770-3790ft with yield of 6.7 MMCF/D.
Leads and Resources	Based on interpretation on seismic and well data, it is identified that there is 9 closure with 10 Leads from 2 level which become the target.
Geological Chance of Success	Low – Moderate GcoS (uncertain presence of mature source rock and petroleum migration system).
Spatial Planning	No overlap area with conservation area, national park and other special territory.
Result	Conrad has decided to continue the joint study result of ONWA area to the direct offer process.

(b) Offshore South West Aceh (OSWA)

On 23 November 2018, MEMR granted Conrad’s request for Direct Appointment of Tender through the Joint Study plan (**OSWA Approval**). OSWA Approval gave Conrad access to conduct a joint study in the Offshore South West Aceh area which covers an area of 8,737.20 km² for a period of 8 months (23 November 2018 to 23 July 2019) which may be extended subject to MEMR approval.

Conrad partnered with Universitas Pembangunan Nasional “Veteran” Yogyakarta to conduct the joint study activity.

All data collected from the joint study must remain confidential unless MEMR grants approval to publish it. The OSWA Approval applies only to Conrad and that approval cannot be transferred to any other entities without the prior consent of DGOG.

As with the ONWA Approval, Conrad has the right to match if the area is offered by MEMR in a tender process. An outline of that process is summarised in Section 2.5(d)(iii).

8. Additional Information Cont.

The tender process is currently ongoing with the following dates for submission and PSC award:

Access Bid Document	20 July – 2 September 2022
End of Bid Submission	6 September 2022
Right to Match Acceptance	13 September 2022
Bid Winner Announcement	4 October 2022
Winner Acceptance	28 October 2022
Signing PSC Contract	4 December 2022

Result of the OSWA Joint Study

2D Seismic Data	2,194.53 km
2D Seismic Data (Reprocessing)	227.03 km
Geology Regional	OSWA is located in western waters of Aceh. From a tectonic point of view OSWA is located in the arch-trench system of Sumatra on a fore-arc basin (Sibolga basin).
Geology Discovery	Hydrocarbon Material
Petroleum System	<ul style="list-style-type: none"> • Source Rock: Late Miocene Sediments. • Reservoir: Middle Miocene Carbonate, Late Miocene Clastic and Early Pliocene. • Seal: Regional seal and seal intra-formation on Middle Miocene shale and Late Miocene Shale. • Trap: Structural traps are anticline and faulted anticline, stratigraphic traps are reefal build-up.
Post Mortem	Based on the 6 well data used, it shows the potential for hydrocarbons in the Joint Study Area, which is indicated by a gas show at the Pulau Baru-1 Well and gas discovery at the Palambak-1 and Singkel-1 wells.
Leads and Resources	Based on temporary evaluation, it is indicated that there is 7 Leads on Middle Miocene wells.
Geological Chance of Success	Low – Moderate GcoS (uncertain presence of mature source rock and petroleum migration system).
Spatial Planning	No overlap area with conservation area, national park and other special territory.
Result	Conrad has decided to continue the Joint Study result of the OSWA area (Singkel) to the Direct Offer process.

8.7 Offer Management Agreement

The JLMS and the Company have entered into an offer management agreement, on the Prospectus Date (**Offer Management Agreement**). Under the Offer Management Agreement, the Joint Lead Managers have agreed to severally and on an exclusive basis arrange and manage the Offer and act as bookrunners for the Offer, and provide settlement support for the Institutional Offer and the Broker Firm Offer.

(a) Commissions, fees and examples

The Company must pay to the Joint Lead Managers in equal proportions and in accordance with the Offer Management Agreement:

- a selling and settlement fee of 3.5% of the Institutional Offer and the Broker Firm Offer proceeds from investors introduced to the Offer and the Company by a Joint Lead Manager only; and
- a management fee of 1.5% of the total Offer proceeds.

The Company has agreed to reimburse the Joint Lead Managers for reasonable costs and expenses incurred by the Joint Lead Managers incidental to the Offer. Conrad has authorised the Joint Lead Managers to pay any fees of Brokers out of fees payable to the Joint Lead Managers (except as otherwise agreed by Conrad).

(b) Termination Events

The Joint Lead Managers may terminate the Offer Management Agreement, at any time after the date of the Offer Management Agreement and on or before 10.00am on the date for settlement under the Offer by notice to the other party if any of the following events occur:

- the Joint Lead Managers form the view (acting reasonably) that a statement in the Prospectus is or becomes misleading or deceptive or likely to mislead or deceive, or there is an omission from the Prospectus of material required by sections 710, 711 or 716 of the Corporations Act or if the issue of the Offer documents becomes misleading or deceptive or likely to mislead or deceive;
- there occurs a new circumstance that arises after the Prospectus is lodged, that would have been required to be included in the Prospectus if it had arisen before lodgement (as applicable), that is materially adverse from the point of view of an investor;
- an event occurs which is, or is likely to give rise to:
 - a material adverse change in the assets, liabilities, financial position or performance, profits, losses or prospects of the Group from those disclosed in the Prospectus lodged with ASIC on the lodgement date of the Prospectus;
 - a material adverse change in the nature of the business conducted by the Group as disclosed in the Prospectus lodged with ASIC on the lodgement date of the Prospectus;
- the last trading price of Brent crude oil as at 5.00pm (Sydney time) on a Business Day during the period between the Bookbuild opening date and the settlement date to a level that is 10% or more below its level as at 5.00pm on the Business Day immediately preceding the Bookbuild opening date;
- the Company:
 - issues or, in the reasonable opinion of the Joint Lead Managers is required to issue, a supplementary Prospectus because of the operation of section 719(1) of the Corporations Act; or
 - lodges a supplementary Prospectus with ASIC in a form and substance that has not been approved by the Joint Lead Managers;
- the S&P/ASX 200 falls to a level that is 10% or more below its level as at 5.00pm on the Business Day immediately preceding the Bookbuild opening date;
- any of the restriction agreements are withdrawn, varied, terminated or rescinded;

8. Additional Information Cont.

- approval is refused or not granted, or approval is granted subject to conditions other than customary conditions, to:
 - the Company's admission to the official list of ASX on or before the date required in the Offer Management Agreement; or
 - for the CDIs to be traded through CHESS on or before the date set out in the Offer Management Agreement,
 or if granted, the approval is subsequently withdrawn, qualified (other than by customary conditions) or withheld;
- any of the following occurs:
 - a director of the Company is charged with an indictable offence;
 - any director or member of management of the Group named in the Prospectus is charged with a criminal offence relating to any financial or corporate matter or is disqualified from managing a corporation under Part 2D.6 of the Corporations Act or the Companies Act 1967 (as applicable);
 - any government agency commences any public action against a member of the Group, any of the Directors or any member of the management of the Group named in the Prospectus, or announces that it intends to take any such action; or
 - any other government agency commences any investigation or hearing in relation to the Offer, or any Offer Document;
 - ASIC issues an order or gives notice of an intention to issue an order (including an interim order) under section 739 of the Corporations Act;
 - ASIC holds a hearing under section 739(2) of the Corporations Act;
 - ASIC prosecutes or gives notice of an intention to prosecute or commences proceedings against, or gives notice of an intention to commence proceedings against, the Company of any of its officers, employees or agents in relation to the Offer or any Offer document; or
 - an application is made by ASIC (or ASIC gives notice of an intention to make an application) for an order under Part 9.5 of the Corporations Act in relation to the Offer or an Offer document or ASIC commences any investigation or hearing (or gives notice of an intention to commence an investigation) under Part 3 of the ASIC Act in relation to the Offer or an Offer document;
 - any person whose consent to the issue of the Prospectus or any supplementary Prospectus is required by section 720 of the Corporations Act and who has previously consented to the issue of the Prospectus or any supplementary Prospectus withdraws such consent;
 - any person who has previously consented to the inclusion of its name (or a statement) in the Prospectus (other than the Joint Lead Managers) withdraws that consent; or
 - any person gives a notice under section 730 of the Corporations Act in relation to the Prospectus (other than the Joint Lead Managers, co-lead manager or co-manager);
- the Company withdraws the Prospectus or the Offer or any circumstance arises after lodgement of the Prospectus with ASIC that results in the Company either repaying any money received from applicants under the Offer or offering applicants under the Offer an opportunity to withdraw their application for the CDIs and be repaid their application monies;
- an event specified in the timetable set out in the Offer Management Agreement up to and including the date of settlement is delayed by more than 1 Business Day (other than any delay caused solely by the Joint Lead Managers or any delay agreed between the Company and the Joint Lead Managers) or a delay as a result of the exposure period by ASIC;
- the Company is prevented from allotting and issuing the Shares (through CDN) by applicable laws, an order of a court of competent jurisdiction or a governmental agency, within the time required by the ASX Listing Rules;

- if any of the obligations of the relevant parties under any of the Material Contracts are not capable of being performed in accordance with their terms (in the reasonable opinion of the Joint Lead Managers) or if all or any part of any of the Material Contracts:
 - is terminated, withdrawn, rescinded, avoided or repudiated;
 - is altered, amended or varied without the consent of the Joint Lead Managers (acting reasonably);
 - is breached, or there is a failure by a party to comply;
 - ceases to have effect, otherwise than in accordance with its terms; or
 - is or becomes void, voidable, illegal, invalid or unenforceable (other than by reason only of a party waiving any of its rights) or capable of being terminated, withdrawn, rescinded, avoided or withdrawn or of limited force and effect, or its performance is or becomes illegal;
- the Company:
 - alters the issued capital of the Company or a member of the Group, other than the issue of the Shares under the Offer, or the issue of other securities by the Company as disclosed fully and fairly in the Prospectus;
 - ceases or threatens to cease to carry on business; or
 - disposes or attempts to dispose of a substantial part of the business or property of the Group, without the prior written consent of the Joint Lead Managers (not to be unreasonably withheld or delayed);
- any member of the Group becomes Insolvent, or there is an act or omission which is likely to result in a member of the Group becoming insolvent;
- if a regulatory body withdraws, revokes or amends any regulatory approvals required for the Company to perform its obligations under this agreement, such that the Company is rendered unable to perform its obligations under this agreement;
- a change in the composition of management named in the Prospectus, or a change in the composition of the board of Directors named in the Prospectus, occurs without the written consent of the Joint Lead Managers;
- the Company does not provide a Certificate as and when required by the Offer Management Agreement;
- the Company varies any term of its constitution without the prior written consent of the Joint Lead Managers;
- other than as disclosed in the Prospectus, the Company or any other member of the Group creates or agrees to create an encumbrance over the whole or a substantial part of its business or property; or
- the Company or any of their directors or officers (as those terms are defined in the Corporations Act) engage, or have been alleged by a governmental agency to have engaged since the date of this agreement, in any fraudulent conduct or activity whether or not in connection with the Offer.

(c) Termination subject to materiality

The Joint Lead Managers may terminate the Offer Management Agreement, at any time after the date of the Offer Management Agreement and on or before the date for settlement under the Offer, if any of the following events occurred or occurs and a Joint Lead Manager has reasonable grounds to believe the event: (a) has or is likely to have a material adverse effect: (i) on the success or outcome of the Offer; (ii) on the ability of the Joint Lead Managers to settle the Offer; (iii) on the willingness of investors to subscribe or acquire Shares; (iv) on the financial condition, trading or financial position or financial prospects, performance, profits and losses of the Company or the Group; or (b) will or is likely to, give rise to a liability of the Joint Lead Managers or their affiliates under, or give rise to or result in, a contravention by the Joint Lead Managers or their affiliates, of, any applicable law:

- a statement in any announcements or other statements made by the Company in connection with the Company or the Offer is or becomes misleading or deceptive or is likely to mislead or deceive;

8. Additional Information Cont.

- the report of the due diligence committee or any information supplied by or on behalf of the Company or to a Joint Lead Manager in relation to the Group or the Offer as part of the due diligence process is, or becomes, false, misleading or deceptive, including by way of omission;
- any information supplied including any information supplied prior to the date of the Offer Management Agreement by or on behalf of a member of the Group to the Joint Lead Managers in respect of the Offer or the Group is, or is found to be, misleading or deceptive, or is likely to mislead or deceive (including by omission);
- there are not, or there ceases to be, reasonable grounds in the reasonable opinion of the Joint Lead Managers for any statement or estimate in the Offer documents which relate to a future matter or any statement or estimate in the Offer Documents which relate to a future matter is, in the reasonable opinion of the Joint Lead Managers, unlikely to be met in the projected timeframe;
- any of the restriction agreements are varied, altered or amended, breached or failed to be complied with;
- a statement in any certificate given by the Company under the Offer Management Agreement is false, misleading, inaccurate or untrue or incorrect;
- any of the Offer documents or any aspect of the Offer does not comply with the Corporations Act, the ASX Listing Rules, or any other applicable law or regulation or there is a contravention by the Company of the Corporations Act, its constitution or any of the ASX Listing Rules;
- a pandemic, epidemic or large-scale outbreak of a disease (including without limitation SARS, swine or avian flu, H5N1, H7N9, COVID-19 or a related or mutated form of these) not presently existing occurs or in respect of which there is a major escalation, involving any one or more of Australia, Canada, a member of the European Union, the United States, United Kingdom, the People's Republic of China, Hong Kong, Indonesia or Singapore, or there is an outbreak of disease at a particular site owned or operated by the Company;
- in respect of any one or more of Australia, New Zealand, the United States, the United Kingdom, Hong Kong, the People's Republic of China, Indonesia, Singapore, Ukraine, Russia, any member of the North Atlantic Treaty Organisation, any member state of the European Union:
 - hostilities not presently existing commence;
 - a major escalation in existing hostilities occurs (whether war is declared or not);
 - a declaration is made of a national emergency other than a declaration made in relation to COVID-19, except where the declaration results in a material shut-down of business in any of these jurisdictions; or
 - a major terrorist act is perpetrated in any of those countries;
- there is introduced, or there is a public announcement of a proposal to introduce, a new law or regulation or government policy in Australia, New Zealand, the United States, the United Kingdom, Hong Kong, Singapore, Indonesia, the Seychelles or the British Virgin Islands (other than a law or policy which has been announced before the date of this agreement);
- the ASX or its delegates adopt, or announce their intention to adopt, any new regulations or policy;
- here is a contravention by the Company or any other entity in the Group of the Corporations Act, the Companies Act 1967, the ASIC Act, its constitution, or the ASX Listing Rules or any other applicable law;
- a representation or warranty contained in this agreement on the part of the Company is breached, becomes not true or correct or is not performed;
- the Company defaults on one or more of its undertakings or obligations under this agreement;
- an event specified in sections 652C(1) or (2) of the Corporations Act occurs in relation to the Company or any of other member of the Group; or

- any of the following occurs:
 - a general moratorium on commercial banking activities in Australia, the United Kingdom, the United States, Hong Kong, Indonesia, Singapore or any member state of the European Union is declared by the relevant central banking authority in those countries, or there is a disruption in commercial banking or security settlement or clearance services in any of those countries;
 - trading in all securities quoted or listed on ASX, London Stock Exchange, New York Stock Exchange, Singapore Stock Exchange or Hong Kong Stock Exchange is suspended for at least 1 day on which that exchange is open for trading; or
 - any adverse change or disruption to the existing financial markets, political or economic conditions of, or currency exchange rates or controls in Australia, the United Kingdom, the United States, Hong Kong, Singapore, Indonesia or the international financial markets or any adverse change in national or international political, financial or economic conditions.

(d) Indemnity

Subject to certain exclusions relating to, among other things, gross negligence, recklessness, fraud or wilful misconduct by an indemnified party, Conrad agrees to keep the Joint Lead Managers and certain affiliated parties indemnified from losses suffered in connection with the Offer.

(e) Conditions, warranties, undertakings and other items

The Offer Management Agreement contains certain standard representations, warranties and undertakings by Conrad to the Joint Lead Managers (as well as common conditions precedent), including the entry into voluntary escrow agreements by certain of the existing shareholders in a form and substance acceptable to the Joint Lead Managers.

The representations and warranties given by Conrad include but are not limited to matters such as power and authorisations, compliance with applicable laws and ASX Listing Rules, financial information, information contained in the Prospectus, the conduct of the Offer and the due diligence process, litigation, material contracts, IT systems and encumbrances.

Conrad provides undertakings under the Offer Management Agreement which include but are not limited to notifications of breach of any obligation, representation, warranty or undertaking or non-satisfaction of any condition given by it under the Offer Management Agreement, or that it will not, during the period following the date of the Offer Management Agreement until 60 days after CDIs have been issued under the Offer, issue any CDIs or securities without the consent of the Joint Lead Managers, subject to certain exceptions.

8.8 Disclosure and Reporting Obligations

In deciding what information should be included in this Prospectus, the Directors have had regard to, amongst other things, the matters which investors (or their professional advisors) may reasonably be expected to know.

8.9 Legal Proceedings Relating to Conrad

As at the Prospectus Date, so far as the Directors are aware, there is no current or threatened litigation, arbitration or administrative appeal or criminal or governmental prosecution in which Conrad or any of its subsidiaries is directly or indirectly concerned, which would be likely to have a material adverse effect on their business, financial condition, or the results of their operation.

8. Additional Information Cont.

8.10 Insurance

The Company has Directors and Officers and Prospectus liability insurance in place (**Policy**). The Policy is valid from 3 October 2021.

8.11 CHESS Depository Interests (CDIs)

Conrad is incorporated in Singapore. To enable companies such as Conrad to have their securities cleared and settled electronically through CHESS, depository instruments called CDIs are issued. Pursuant to the ASX Settlement Operating Rules, CDI holders receive the economic benefits of actual ownership of the underlying Shares. CDIs are traded in a manner similar to shares of Australian companies listed on ASX.

CDIs will be held in uncertificated form and settled/transferred through CHESS. No share certificates will be issued to CDI holders. Shareholders cannot trade their Shares on ASX without first converting their Shares into CDIs.

(a) What are CDIs

In order for interests in the Shares to trade electronically on ASX, Conrad intends to participate in the electronic transfer system known as CHESS operated by ASX Settlement.

CHESS cannot be directly used for the transfer of securities of companies domiciled in certain foreign jurisdictions, such as Singapore, whose corporate laws do not recognise CHESS as a method of electronic transfer of legal title to their securities. Accordingly, to enable the Shares to be cleared and settled electronically through CHESS, Conrad intends to issue (through an Australian depository nominee, CDN) depository interests called CHESS Depository Interests or CDIs.

CDIs confer the beneficial ownership in foreign securities such as the Shares on the CDI holder, with the legal title to such Shares being held by CDN, the Australian depository nominee.

(b) Who is the depository nominee and what do they do?

Conrad will appoint CDN, an approved general participant of ASX Settlement, to act as its Australian depository.

CDN will hold registered title to the Shares on behalf of CDI holders. CDN may not dispose of any of the Shares unless authorised by the ASX Settlement Operating Rules, and is not able to create any interest that is inconsistent with the beneficial title held by the CDI holders. CDN will receive no fees for acting as the depository for the CDIs.

(c) What registers will be maintained by recording your interests?

Conrad will operate a principal register of Shares in Singapore, an uncertificated issuer sponsored sub-register of CDIs in Australia, and an uncertificated CHESS sub-register of CDIs.

The Company's uncertificated issuer sponsored sub-register of CDIs and uncertificated CHESS sub-register of CDIs will be maintained by the Share Registry.

The principal register is the register of legal title (and will on Completion reflect legal ownership by CDN of the Shares underlying the CDIs). The two uncertificated sub-registers of CDIs combined will make up the register of beneficial title of the Shares underlying the CDIs.

(d) How is local and international trading in CDIs effected?

CDI holders who wish to trade their CDIs will be transferring the beneficial interest in the Shares rather than the legal title. The transfer will be settled electronically by delivery of the relevant CDI holdings through CHESS. In other respects, trading in CDIs is essentially the same as trading in other CHESS approved securities, such as shares in an Australian company.

(e) What is the CDI:Share ratio?

One CDI will represent a beneficial interest in one Share.

(f) What will applicants receive on acceptance of their applications?

Successful applicants will receive a holding statement or allotment confirmation notice which sets out the number of CDIs held by the CDI holder and the reference number of the holding. These holding statements will be provided to a holder when a holding is first established and where there is a change in the holdings of CDIs.

(g) How do CDI holders convert from a CDI holding to a direct holding of Shares?

A CDI holder may either leave their holdings in the form of CDIs so that legal title remains in the name of CDN or transmute the CDIs to Shares and hold legal title in their own right. Only CDIs can be traded on ASX.

CDI holders who wish to convert their ASX-listed CDIs to Shares to be held on the Share register can do so by instructing the Share Registry either:

- directly, in the case of CDIs on the issuer-sponsored sub-register operated by Conrad. CDI holders will be provided with a form for completion and return to Conrad's Share Registry; or
- through their sponsoring participant (usually their broker), in the case of CDIs which are sponsored on the CHESS sub-register. In this case, the sponsoring broker will arrange for conversion from the CHESS sub-register to the issuer sponsored sub-register so that the holder may complete the relevant form and return it to Conrad's Share Registry.

The Share Registry will then arrange for the Shares to be transferred from CDN into the name of that holder and a statement of holding will be issued. This will cause the Shares to be registered in the name of the holder on Conrad's share register and trading on ASX will no longer be possible.

The Share Registry will not charge an individual securityholder or Conrad a fee for transferring CDI holdings into Shares (although a fee will be payable by market participants). It is expected that this process will be completed within 24 hours, provided that the Share Registry is in receipt of a duly completed and valid CDI cancellation form. However, no guarantee can be given about the time for this conversion to take place.

(h) What are the voting rights of a CDI Holder?

If holders of CDIs wish to attend and vote at the Company's general meetings, they will be able to do so. Under the ASX Listing Rules and the ASX Settlement Operating Rules, Conrad as an issuer of CDIs must allow CDI holders to attend any meeting of the holders of Shares.

In order to vote at such meetings, CDI holders have the following options:

- (i) instructing CDN, as the legal owner, to vote the Shares underlying their CDIs in a particular manner. A voting instruction form will be sent to CDI holders with the notice of meeting or proxy statement for the meeting and this must be completed and returned to the Share Registry prior to the CDI voting close off for the meeting; or
- (ii) informing the Company that they wish to nominate themselves or another person to be appointed as CDN's proxy with respect to their Shares underlying the CDIs for the purposes of attending and voting at the general meeting; or
- (iii) converting their CDIs into a holding of Shares and voting these at the meeting (however, if thereafter the former CDI holder wishes to sell their investment on the ASX, it would be necessary to convert the Shares back to CDIs). In order to vote in person, the conversion must be completed prior to the record date for the meeting. See above for further information regarding the conversion process.

8. Additional Information Cont.

As holders of CDIs will not appear on the Company's share register as the legal holders of the Shares, they will not be entitled to vote at Shareholder meetings unless one of the above steps is undertaken.

As one CDI represents one Share, a CDI holder will be entitled to one vote for every CDI they hold.

CDI voting instruction forms and details of these alternatives will be included in each notice of meeting sent to CDI holders by the Company.

(i) What dividend and other distribution entitlements do CDI holders have?

Despite legal title to the Shares being vested in CDN, the ASX Settlement Operating Rules provide that CDI holders are to receive all direct economic benefits and other entitlements in relation to the underlying Shares, including dividends and other entitlements which attach to the underlying Shares. These rights exist only under the ASX Settlement Operating Rules (which have the force of law by virtue of the Corporations Act), rather than under the Singapore Companies Act.

(j) What corporate action entitlement (such as rights issues and bonus issues) do CDI holders have?

CDI holders receive all direct economic benefits and other entitlements in relation to the underlying Shares. These include entitlement to participate in rights issues, bonus issues and capital reductions.

These rights exist only under ASX Settlement Operating Rules, rather than under the Singapore Companies Act.

(k) What rights do CDI holders have in the event of a takeover?

If a takeover bid or similar transaction is made in relation to the Shares of which CDN is the registered holder, under ASX Settlement Operating Rules, CDN must not accept the offer made under the takeover bid except to the extent that acceptance is authorised by the relevant CDI holder. CDN must ensure that the Offeror processes the takeover acceptance of a CDI holder if such CDI holder instructs CDN to do so.

These rights exist only under ASX Settlement Operating Rules, rather than under the Singapore Companies Act.

(l) What notices and announcements will CDI holders receive?

CDI holders will receive all notices and company announcements (such as annual reports) that Shareholders are entitled to receive from Conrad. These rights exist under ASX Settlement Operating Rules and Conrad's Constitution, rather than under the Singapore Companies Act.

(m) What rights do CDI holders have on liquidation or winding up?

In the event of Conrad's liquidation, dissolution or winding up, a CDI holder will be entitled to the same economic benefit on their CDIs as holders of Shares. These rights exist only under ASX Settlement Operating Rules, rather than under the Singapore Companies Act.

(n) Will CDI holders incur any additional ASX or ASX Settlement fees or charges as a result of holding CDIs rather than Shares?

A CDI Holder will not incur any additional ASX or ASX Settlement fees or charges as a result of holding CDIs rather than Shares.

(o) Where do I find further information about transferring CDIs?

If your CDIs are held on the CHESS sub-register, contact your sponsoring participant (usually your broker). If your CDIs are held on the issuer sponsored sub-register, contact the Share Registry.

The transfer of CDIs may be effected by a proper transfer (defined as a Proper ASTC Transfer in the Corporations Regulations). Upon receipt of a proper transfer and subject to the Corporations Regulations, ASX Listing Rules and ASX Settlement Operating Rules, the Company will approve registration of a transferee named in the transfer as a holder of CDIs.

The transferor will be deemed to remain the holder of the CDIs until a proper transfer has been effected or the name of the transferee is entered in the CHESS sub-register or the issuer sponsored sub-register (as applicable) as the holder of the CDIs.

The Company may suspend the registration of transfers of CDIs at the times and for the periods they determine, but only as permitted by ASX Settlement Operating Rules.

(p) Divestment of non-marketable parcel of CDIs

Subject to certain restrictions and procedures, Conrad may, after giving written notice to a CDI holder, sell a CDI holder's CDIs if the CDI holder holds less than a non-marketable parcel (a parcel of securities that is less than a marketable parcel within the meaning of the ASX Operating Rules Procedures). The CDI holder will receive the proceeds of such sale.

(q) Where can further information be obtained?

For further information in relation to CDIs and the matters referred to above, please refer to the ASX website and the documents entitled:

- (i) "Understanding CHESS Depository Interests" at: www.asx.com.au/documents/settlement/CHESS_Depository_Interests.pdf
- (ii) ASX Guidance Note 5 at: www.asx.com.au/documents/rules/gn05_chess_depository_interests.pdf, or contact your stockbroker or the Offer Information Line.

8.12 Constitution and rights attaching to Shares

As Conrad is incorporated in Singapore, rights attaching to the Shares will be governed by Singapore law, including the Singapore Companies Act and securities laws (to the extent applicable) and the Constitution. A summary of Conrad's securities and provisions of its Constitution is set out below. This summary is not intended to be exhaustive.

Conrad will also be subject to certain Australian laws, including limited provisions under the Corporations Act. The following is not an exhaustive statement of all relevant laws, rules and regulations and is intended to be a general guide only of certain rights attaching to Shares. For a discussion of rights attaching to CDIs, please refer to Section 8.11 above. As a foreign company registered in Australia, Conrad has a continuing obligation under ASX Listing Rule 3.17C, if it becomes aware of a change to the Singapore Companies Act or any other applicable Singapore law that materially affects the right or obligations of Shareholders, to give ASX details of that change immediately.

8. Additional Information Cont.

Feature	Description
Share capital	Subject to Conrad's constitution, certain requirements under the Singapore Companies Act and the ASX Listing Rules, Conrad in a general meeting may from time to time by ordinary resolution increase its capital by the allotment and issue of new Shares. Conrad may by special resolution reduce its share capital or any undistributable reserve in any manner and with and subject to any incident authorised and consent required by law.
Voting	<p>As provided under Conrad's Constitution and the Singapore Companies Act, voting at any meeting of shareholders is by show of hands unless a poll has been demanded before or on the declaration of the results of the show of hands by:</p> <ul style="list-style-type: none"> (a) the chairman of the meeting; (b) at least two shareholders in person or by proxy (or in the case of a corporation or other body corporate, by its duly authorised representative or proxy), and entitled to vote thereat; (c) any shareholder or shareholders present in person or by proxy (or in the case of a corporation or other body corporate, by its duly authorised representative or proxy) and collectively holding at least five per cent. (5%) of the total voting rights of all the shareholders having a right to vote at the meeting; or (d) any shareholder or shareholders present in person or by proxy (or in the case of a corporation or other body corporate, by its duly authorised representative or proxy) and collectively holding Shares having a right to vote at the meeting, being Shares on which an aggregate sum has been paid up equal to not less than five per cent. (5%) of the total sum paid up on all the Shares conferring that right. Every shareholder entitled to vote who (being an individual) is present in person or by proxy or, if a corporation or other body corporate is present by its duly authorised representative or by proxy, shall on a show of hands have one vote, and on a poll have one vote for every Share of which he is the holder. Proxies need not be shareholders.
Amendments to the Constitution	As provided under the Singapore Companies Act, the Constitution may be altered by special resolution (i.e., a resolution passed by at least a three-fourths majority of the shareholders entitled to vote, present in person or by proxy at a meeting for which not less than 21 days' written notice is given). The Board of Directors has no right to amend the constitution.

Feature	Description
General meetings	<p>Subject to the Singapore Companies Act, Conrad is required to hold an annual general meeting each calendar year and within six months after the end of each financial year, and shall specify the meeting as such in the notices calling it.</p> <p>The Directors may, whenever they think fit, call general meetings, and they shall within two months after Conrad receives a shareholders' requisition pursuant to Section 176 of the Singapore Companies Act, forthwith proceed to convene an extraordinary general meeting. If, following a shareholders' requisition pursuant to section 176 of the Singapore Companies Act, at any time there are not enough Directors within Singapore to form a quorum at a meeting of Directors as required by the Constitution, any Director may convene an extraordinary general meeting in the same manner as nearly as possible as that in which the meetings may be convened by Directors.</p> <p>Subject to the provisions of the Singapore Companies Act relating to special notice and agreements for shorter notice and the ASX Listing Rules (if any), at least 21 clear days' notice shall be given of any general meeting at which it is proposed to pass a special resolution. For every other general meeting, subject to the ASX Listing Rules, at least 14 clear days' notice shall be given. The notice shall specify the place, the day and the hour of the meeting and the general nature of the business to be conducted at the general meeting and the notice shall contain a statement to that effect, and there shall appear with reasonable prominence in every such notice a statement that a shareholder entitled to attend and vote is entitled to appoint a proxy or proxies to attend and vote instead of him and that a proxy need not also be a shareholder. In the case of an annual general meeting, the notice shall also specify the meeting as such. In the case of any general meeting at which special business is to be transacted, the notice shall specify the general nature of the special business and if any resolution is to be proposed as a special resolution or as requiring special notice, the notice shall contain a statement to that effect.</p> <p>No business other than the appointment of a chairman shall be transacted at any general meeting unless a quorum is present. Two shareholders being individuals present in person or by proxy or if a corporation or other body corporate by its duly authorised representative or proxy shall constitute a quorum unless Conrad has only one shareholder entitled to vote at such general meeting, in which case the quorum shall be that one shareholder present in person or by proxy (or in the case of a corporation or other body corporate by its duly authorised representative or proxy), provided that:</p> <ul style="list-style-type: none"> (a) a proxy representing more than one shareholder shall only count as one shareholder for the purpose of determining the quorum; and (b) where a shareholder is represented by more than one proxy, such proxies shall count as only one shareholder for the purpose of determining the quorum.

8. Additional Information Cont.

Feature	Description
General meetings continued	<p>The chairman may, with the consent of a general meeting at which a quorum is present (and shall if so directed by the general meeting) adjourn the general meeting.</p> <p>Subject to the ASX Listing Rules, a resolution put to the vote of the meeting shall be decided on a show of hands unless before, or on the declaration of the result, a poll is demanded in accordance with the Constitution. Shareholders shall be entitled to receive notices of, and attend, speak and vote at, any meetings of the shareholders.</p>
Dividends	<p>Conrad may, by ordinary resolution, declare dividends at a general meeting of shareholders, but no dividend shall exceed the amount recommended by Conrad's Board of Directors. Pursuant to Singapore law and Conrad's Constitution, no dividend may be paid except out of Conrad's profits.</p>
Purchase of own shares	<p>Subject to the Singapore Companies Act, Conrad may purchase or otherwise acquire its own shares upon such terms and subject to such conditions as Conrad may deem fit.</p>
Rights attaching to Shares	<p>Without prejudice to any special right previously conferred on the holders of any existing Shares or class of Shares, but subject to the Singapore Companies Act and the Constitution (including Section 161 of the Singapore Companies Act), the Directors may issue Shares with such preferred, deferred, qualified or special rights or other rights or restrictions, whether in regard to dividend, voting, return of capital or otherwise as the Directors may determine, and preference Shares may be issued which are, or at the option of Conrad are, liable to be redeemed, the terms and manner of redemption being determined by the Directors.</p>
Variations of class rights and amendments to incorporating documents	<p>If at any time the share capital of Conrad is divided into different classes of Shares, all or any of the rights attached to any class (unless otherwise provided by the terms of issue of the Shares of that class) may, whether or not the Company is being wound up, be varied with the consent in writing of the holders of not less than three fourths of the issued Shares of that class, or with the sanction of a special resolution passed at a separate meeting of the holders of the Shares of that class.</p> <p>To any such meeting, all the regulations of the Constitution relating to general meetings shall apply, except that the necessary quorum shall be two persons holding or representing by proxy at least one-third of the issued Shares of the class (unless there is only one person holding Shares of that class entitled to vote at such general in which case the quorum shall be one) and that any holder of Shares of the class present in person or by proxy may demand a poll. To every such special resolution, the provisions of Section 184 of the Singapore Companies Act shall with such adaptations as are necessary apply.</p>

Feature	Description
Issue of shares	<p>Save as provided by the Singapore Companies Act, no Shares (other than Shares issued without formal allotment to the Subscribers at incorporation) may be issued by the Directors without the prior approval of the Company in a general meeting but subject thereto (including any direction that may be given by the Company in general meeting) and to the regulations of the Constitution and the Singapore Companies Act, the Directors may allot, issue, grant options over or otherwise dispose of Shares to such persons, at such times and on such other terms as in their absolute discretion deem fit.</p> <p>The Company may issue:</p> <ul style="list-style-type: none"> (a) shares for which no consideration is payable to the Company; and (b) preference shares which are, or at the option of the Company are to be, liable to be redeemed and the redemption shall be effected only on such terms and in such manner as is provided in the Constitution.
Transfer of shares	<p>Subject to applicable legislation in force from time to time, Conrad's Constitution (including Regulation 12.3 of the Constitution which provides that no Share shall be transferred to an infant, a bankrupt or a person of unsound mind) and the ASX Listing Rules, there is no restriction on the transfer of all or any of a shareholder's Shares, but the Directors may, in their absolute discretion, decline to register a transfer of Shares upon which the Company has a lien and in the case of Shares not fully paid up, may refuse to register a transfer to a transferee of whom they do not approve.</p> <p>If the Directors decline to register a transfer of Shares, they shall, within 30 days after the date on which the transfer was lodged with Conrad, send a notice of refusal to the transferor and the transferee and, within 30 days after the date on which an application is made to Conrad, serve on the applicant a notice in writing stating the facts which are considered to justify refusal in the exercise of that discretion.</p>
Size of the Board	<p>There shall be a Board of Directors consisting of at least one natural person ordinarily resident in Singapore (exclusive of alternate Directors) and until determined by ordinary resolution, there shall be no maximum number. Subject to the provisions of the Singapore Companies Act (including complying with any minimum number required by the Singapore Companies Act), the Company may by ordinary resolution place any limits on, or increase or reduce the limits in, the number of Directors.</p>

8. Additional Information Cont.

Feature	Description
Appointment of directors	<p>Conrad may by ordinary resolution appoint any person to be a Director, either to fill a vacancy or as an additional Director provided that the appointment does not cause the number of Directors to exceed any number fixed by or in accordance with the Constitution as the maximum number of Directors. Without prejudice thereto the Directors shall have power at any time so to do, but any person so appointed by the Directors shall hold office only until the next annual general meeting. He shall then be eligible for re-election, but shall not be taken into account in determining which particular Directors or the number of Directors who are to retire by rotation at such meeting.</p>
Retirement of directors	<p>At each annual general meeting one-third of the Directors for the time being (or, if their number is not a multiple of three, the number nearest to but not less than one-third) shall retire from office by rotation, provided that every Director shall be subject to retirement at an annual general meeting at least once every three years. The Directors to retire in every year shall include (so far as necessary to ascertain the number of Directors to retire by rotation) any Director who wishes to retire and not to offer himself for re-election. Any further Directors so to retire shall be those of the other Directors subject to retirement by rotation who have been longest in office since their last re-election or appointment and so that as between persons who became or were last re-elected Directors on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot. A retiring Director shall be eligible for re-election.</p>
Remuneration	<p>Subject to the Singapore Companies Act, the ordinary remuneration of the Directors shall from time to time be determined by ordinary resolution, shall not be increased except pursuant to an ordinary resolution passed at a general meeting where notice of the proposed increase shall have been given in the notice convening the general meeting and shall (unless such resolution otherwise provides) be divisible among the Directors as they may agree, or failing agreement, equally, except that any Director who shall hold office for part only of the period in respect of which such remuneration is payable shall be entitled only to rank in such division for a proportion of remuneration related to the period during which he has held office.</p> <p>The Directors shall also be entitled to be paid all travelling, hotel and other reasonable expenses incurred by them in connection with their attendance at meetings of Directors or committees of Directors, or general meetings of Conrad, or separate meetings of the holders of any class of Shares or debentures of the Company, or otherwise in connection with the business of the Company or the discharge of their duties as a Director.</p> <p>Any Director who holds any executive office, or who serves on any committee of the Directors, or who otherwise performs services which in the opinion of the Directors are outside the scope of the ordinary duties of a Director, may be paid such extra remuneration by way of salary, commission or otherwise as the Directors may determine.</p>

Feature	Description
Director indemnity	<p>Subject to the provisions of and insofar as permitted by the Singapore Companies Act, every Director and other officer for the time being of Conrad shall be indemnified out of the assets of Conrad against all costs, charges, losses, expenses and liabilities incurred or to be incurred by him in the execution and discharge of his duties or in relation thereto.</p>
Disclosure of substantial holdings and changes in substantial holdings	<p>Under the SFA and the Singapore Companies Act, substantial shareholder reporting is required by a company listed in Singapore or any other company as may be declared by the Singapore Minister of Finance under the Singapore Companies Act required to make such report.</p> <p>Under the SFA and the Singapore Companies Act, a person has a substantial shareholding in a company if he has an interest or interests in one or more voting shares (excluding treasury shares) in that company and the total votes attached to that share, or those shares, is not less than 5% of the total votes (excluding treasury shares) attached to all the voting shares in that company, and a substantial shareholder is a person who holds a substantial shareholding (Substantial Shareholder).</p> <p>A Substantial Shareholder of a company is required to notify the company in writing of the particulars of his interests in the voting shares of the company when he becomes or ceases to be a Substantial Shareholder as well as when there is a change in the percentage level of his interests. The Substantial Shareholder must provide such notice to the company within two business days after he becomes aware of such a change.</p> <p>As Conrad is not listed in Singapore and has not been declared by the Minister of Finance under the Singapore Companies Act to be required to make such report, the substantial shareholder disclosure/notification requirements do not apply to Conrad. Conrad would be subject to these requirements if it became listed on the Singapore Exchange (SGX).</p>
Winding up	<p>If the Company is wound up, then subject to a special resolution of the Shareholders, any surplus assets of the Company must be divided amongst the Company's members as determined by the liquidator.</p>

8. Additional Information Cont.

Feature	Description
ASX Compliance	<p>If Conrad is admitted to the Official List of ASX, the following regulations apply, unless prohibited by relevant laws and regulations in the jurisdiction of its incorporation:</p> <ul style="list-style-type: none"> (a) notwithstanding anything contained in this Constitution, if the ASX Listing Rules prohibit an act being done, the act shall not be done; (b) nothing contained in this Constitution prevents an act being done that the ASX Listing Rules require to be done; (c) if the ASX Listing Rules require an act to be done or not to be done, authority is given for that act to be done or not to be done (as the case may be); (d) if the ASX Listing Rules require this Constitution to contain a provision and it does not contain such a provision, this Constitution is deemed to contain that provision; (e) if the ASX Listing Rules require this Constitution not to contain a provision and it contains such a provision, this Constitution is deemed not to contain that provision; and (f) if any provision of this Constitution is or becomes inconsistent with the ASX Listing Rules, this Constitution is deemed not to contain that provision to the extent of the inconsistency.
Takeover Provisions	<p>The Singapore Code on Take-overs and Mergers applies to, among other things, the acquisition of voting shares of Singapore-incorporated listed public companies or unlisted public companies with more than 50 shareholders and net tangible assets of S\$5 million or more.</p> <p>Any person acquiring, whether by a series of transactions over a period of time or not, either on his or her own or together with parties acting in concert with such person, 30% or more of our voting shares, or, if such person holds, either on his or her own or together with parties acting in concert with such person, between 30% and 50% (both amounts inclusive) of our voting shares, and if such person (or parties acting in concert with such person) acquires additional voting shares representing more than 1% of our voting shares in any six-month period, must, except with the consent of the Securities Industry Council in Singapore, extend a mandatory takeover offer for the remaining voting shares in accordance with the provisions of the Singapore Code on Take-overs and Mergers. Responsibility for ensuring compliance with the Singapore Code on Take-overs and Mergers rests with parties (including company directors) to a take-over or merger and their advisors.</p>

Feature	Description
Takeover Provisions continued	<p>“Parties acting in concert” comprise individuals or companies who, pursuant to an agreement or understanding (whether formal or informal), cooperate, through the acquisition by any of them of shares in a company, to obtain or consolidate effective control of that company. Certain persons are presumed (unless the presumption is rebutted) to be acting in concert with each other. They are as follows:</p> <ul style="list-style-type: none"> (a) a company, its parent company, subsidiaries and fellow subsidiaries, the associated companies of any of the company and its related companies, subsidiaries and fellow subsidiaries, companies whose associated companies include any of these companies and any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the foregoing for the purchase of voting rights; (b) a company with any of its directors (together with their close relatives, related trusts and companies controlled by any of the directors, their close relatives and related trusts); (c) a company with any of its pension funds and employee share schemes; (d) a person with any investment company, unit trust or other fund whose investment such person manages on a discretionary basis, but only in respect of the investment account which such person manages; (e) a financial or other professional advisor, including a stockbroker, with its client in respect of the shareholdings of the advisor and persons controlling, controlled by or under the same control as the advisor; (f) directors of a company (together with their close relatives, related trusts and companies controlled by any of such directors, their close relatives and related trusts) which is subject to an offer or where the directors have reason to believe a bona fide offer for their company may be imminent; (g) partners; and (h) an individual and (i) such person’s close relatives, (ii) such person’s related trusts, (iii) any person who is accustomed to act in accordance with such person’s instructions, (iv) companies controlled by the individual, such person’s close relatives, related trusts or any person who is accustomed to act in accordance with such person’s instructions and (v) any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the foregoing for the purchase of voting rights. <p>Subject to certain exceptions, a mandatory offer must be in cash or be accompanied by a cash alternative at not less than the highest price paid by the offeror or parties acting in concert with the offeror during the offer period and within the six months prior to its commencement. Under the Singapore Code on Take-overs and Mergers, where effective control of a company is acquired or consolidated by a person, or persons acting in concert, a general offer to all other shareholders is normally required.</p>

8. Additional Information Cont.

8.13 Comparison of Relevant Australian and Singapore Laws

Conrad is a public company incorporated under the laws of Singapore.

As the Company is incorporated in Singapore, its general corporate activities, including the rights of Shareholders in respect of its Shares (apart from any offering of securities in Australia) are regulated by the Singapore Companies Act, Conrad's Constitution, Singapore securities laws and Singapore common law, as may be applicable.

A comparison of some of the material provisions of Australian law and Singapore law as they relate to Conrad is set out below, along with a description of certain securities laws and securities exchange rules where applicable.

References to "Australian law" where they appear in this Section are references to the Corporations Act, the ASX Listing Rules and Australian common law, as applicable. It is worth noting that some rules under the Corporations Act for a public company are replaceable, and a company may choose to adopt a new set of rules or modify the replaceable rules for their constituent documents.

References to "Singapore law" are references to the Singapore Companies Act, Singapore securities laws, regulations and rules issued under such laws, and the published regulations, rules, policy statements, orders, instruments, notices and rules of the securities commissions or equivalent securities regulatory bodies in Singapore.

You should rely on the actual provisions of those documents since the terms of Conrad's Constitution and Singapore law are more detailed than the general information provided below. The information provided below is an overview of the general terms of the Singapore Companies Act as they relate to public companies. Note that a number of these general terms may be amended by a company's constitution.

Relevant law	Australian law	Singapore law
Shareholder meetings		
Notices of meetings	<p>The Corporations Act requires at least 28 days' notice of a general meeting of a listed company.</p> <p>A listed public company is required to give notice only to shareholders entitled to vote at the meeting as well as its directors and auditors.</p>	<p>Subject to the Singapore Companies Act, at least 21 clear days' notice shall be given of any general meeting at which it is proposed to pass a special resolution. For every other general meeting, at least 14 clear days' notice shall be given.</p>
Voting requirements	<p>Unless the Corporations Act or a company's constituent document (e.g. constitution, articles of association or by-laws) requires a special resolution, resolutions are passed by a simple majority of votes cast on the resolution. Under the Corporations Act, a special resolution may be passed by the company if not less than 28 days' notice of a general meeting is given, specifying the intention to propose the special resolution and stating the resolution. In order to pass, a special resolution requires approval of at least 75% of the votes cast by shareholders entitled to vote.</p> <p>The Corporations Act requires certain matters to be resolved by special resolution, including:</p> <ul style="list-style-type: none"> (a) change of the company's name; (b) a selective reduction of capital or selective share buyback; (c) the conversion of the company from one type or form to another; (d) a decision to wind up the company voluntarily; and (e) a decision to modify or repeal a public company's constituent document. 	<p>Unless otherwise required by law or by Conrad's Constitution, resolutions put forth at general meetings may be decided by ordinary resolution, requiring the affirmative vote of a majority of the shareholders present in person or represented by proxy at the meeting and entitled to vote on the resolution. An ordinary resolution suffices, for example, for appointments of directors. A special resolution, requiring an affirmative vote of not less than three-fourths of the shareholders present in person or represented by proxy at the meeting and entitled to vote on the resolution, is necessary for certain matters under Singapore law, such as an alteration of Conrad's Constitution.</p>

Relevant law	Australian law	Singapore law
Voting rights	<p>Under Australian law, one share in a public company typically confers a right to vote at all general meetings. On a show of hands, each shareholder present in person, or by proxy, attorney or body corporate representative, has one vote. If a poll is held, shareholders present in person or by their proxy, attorney or body corporate representative will have one vote for every share held at the record date of the meeting.</p>	<p>As provided under Conrad's Constitution and the Singapore Companies Act, voting at any meeting of shareholders is by show of hands unless a poll has been demanded before or on the declaration of the results of the show of hands by:</p> <ul style="list-style-type: none"> (a) the chairman of the meeting; (b) at least two shareholders in person or by proxy (or in the case of a corporation or other body corporate, by its duly authorised representative or proxy), and entitled to vote thereat; (c) any shareholder or shareholders present in person or by proxy (or in the case of a corporation or other body corporate, by its duly authorised representative or proxy) and collectively holding at least five per cent. (5%) of the total voting rights of all the shareholders having a right to vote at the meeting; or (d) any shareholder or shareholders present in person or by proxy (or in the case of a corporation or other body corporate, by its duly authorised representative or proxy) and collectively holding Shares having a right to vote at the meeting, being Shares on which an aggregate sum has been paid up equal to not less than 5% of the total sum paid up on all the Shares conferring that right. Every shareholder entitled to vote who (being an individual) is present in person or by proxy or, if a corporation or other body corporate is present by its duly authorised representative or by proxy, shall on a show of hands have one vote, and on a poll have one vote for every Share of which he is the holder. Proxies need not be shareholders.

8. Additional Information Cont.

Relevant law	Australian law	Singapore law
<p>Transactions that require Shareholder approval</p>	<p>Under the Corporations Act, the principal transactions or actions requiring Shareholder approval include:</p> <ul style="list-style-type: none"> (a) Adopting or altering the constitution of the Company; (b) Appointing or removing a Director or auditor; (c) Certain transactions with related parties of the Company; (d) Putting the Company into liquidation; (e) Changes to the rights attached to shares; and (f) Certain transactions affecting share capital (for example, share buybacks and share capital reductions). <p>Under the ASX Listing Rules, Shareholder approval is required for matters including:</p> <ul style="list-style-type: none"> (a) Increases in the total amount of Directors' fees; (b) Directors' termination benefits in certain circumstances; (c) Certain transactions with related parties; (d) Certain issues of shares; and (e) If a company proposes to make a significant change to the nature or scale of its activities or proposes to dispose of its main undertaking. 	<p>Under the Companies Act, the principal transactions or actions requiring Shareholder approval include:</p> <ul style="list-style-type: none"> (a) Adopting or altering the constitution or the objects in the constitution of the Company; (b) Appointing or removing a Director or auditor; (c) Certain transactions with directors of the Company or directors of a related company of the Company (as defined in the Singapore Companies Act); (d) Altering the share capital of the Company; (e) Disposal of the whole or substantially the whole of the Company's undertaking or property; (f) Issue of new shares; (g) Provision or improvement of emoluments of a director of the Company; (h) Changes to the rights attached to shares; and (i) Certain transactions affecting share capital (for example, share buybacks and share capital reductions). <p>Under the <i>Insolvency, Restructuring and Dissolution Act 2018</i>, the principal transactions or actions requiring Shareholder approval include:</p> <ul style="list-style-type: none"> (a) Winding up of the Company by court; (b) Voluntary winding up of the Company; and (c) Appointment and removal of liquidators of the Company in a winding up.

Relevant law	Australian law	Singapore law
<p>Shareholders' rights to request a general meeting or to bring a resolution before a meeting</p>	<p>The Corporations Act requires the directors to call a general meeting on the request of members with at least 5% of the vote that may be cast at the general meeting or at least 100 shareholders who are entitled to vote at a general meeting.</p> <p>Shareholders with at least 5% of the votes that may be cast at the general meeting may also call and arrange to hold a general meeting at their own expense.</p>	<p>Under the Singapore Companies Act:</p> <ul style="list-style-type: none"> (a) any number of members representing not less than 5% of the total voting rights of all the members having at the date of requisition a right to vote at a meeting to which the requisition relates; or (b) not less than 100 members holding shares on which there has been paid up an average sum, per member, of not less than S\$500, may requisition the company to give to members notice of any resolution which may properly be moved and is intended to be moved at the next annual general meeting, and circulate to members any statement of not more than 1,000 words with respect to the matter referred to in any proposed resolution or the business to be dealt with at that meeting. <p>Notwithstanding anything in its constitution, the directors of a company shall, on the requisition of members holding at the date of the deposit of the requisition not less than 10% of the total number of paid-up shares (excluding treasury shares) as at the date of the deposit carries the right of voting at general meetings or, in the case of a company not having a share capital, of members representing not less than 10% of the total voting rights of all members having at that date a right to vote a general meetings, immediately proceed duly to convene an extraordinary general meeting of the company to be held as soon as practicable but in any case not later than two months after the receipt by the company of the requisition.</p> <p>If the directors do not within 21 days after the date of the deposit of the requisition proceed to convene a meeting, the requisitionists, or any of them representing more than 50% of the total voting rights of all of them, may themselves, in the same manner as nearly as possible as that in which meetings are to be convened by directors convene a meeting, but any meeting so convened shall not be held after the expiration of three months from that date.</p> <p>Under the Singapore Companies Act, two or more members holding not less than 10.0% of the total number of issued shares of the company (excluding treasury shares) or, if the company has not a share capital, not less than 5.0% in number of the members of the company or such lesser number as is provided by the constitution may call a meeting of the company.</p> <p>A meeting of a company or of a class of members, other than a meeting for the passing of a special resolution, shall be called by notice in writing of not less than 14 days or such longer period as is provided in the constitution.</p>

8. Additional Information Cont.

Relevant law	Australian law	Singapore law
Shareholders		
Disclosure of substantial holdings	<p>The Corporations Act provides that a shareholder has a “substantial holding” if that person’s (and that person’s associates) have a relevant interest in 5% or more of the voting shares in the company. The Corporations Act requires a shareholder who is a substantial holder in a listed company to give written notice in the prescribed form to the company and ASX within 2 business days or, if there is a takeover bid for the company, by 9:30am on the next trading day of the ASX, after the person becomes aware that they have become a substantial shareholder.</p> <p>Similar notification requirements apply in the event that a shareholders substantial holding increases or decreases by more than 1% of the total votes in a company or where a person ceases to have a substantial holding.</p>	<p>Under the SFA and the Singapore Companies Act, substantial shareholder reporting is required by a company listed in Singapore or any other company as may be declared by the Singapore Minister of Finance under the Singapore Companies Act required to make such report.</p> <p>Under the SFA and the Singapore Companies Act, a person has a substantial shareholding in a company if he has an interest or interests in one or more voting shares (excluding treasury shares) in that company and the total votes attached to that share, or those shares, is not less than 5% of the total votes (excluding treasury shares) attached to all the voting shares in that company, and a substantial shareholder is a person who holds a substantial shareholding (Substantial Shareholder).</p> <p>A Substantial Shareholder of a company is required to notify the company in writing of the particulars of his interests in the voting shares of the company when he becomes or ceases to be a Substantial Shareholder as well as when there is a change in the percentage level of his interests. The Substantial Shareholder must provide such notice to the company within two business days after he becomes aware of such a change.</p> <p>As Conrad is not listed in Singapore and has not been declared by the Minister of Finance under the Singapore Companies Act to be required to make such report, the substantial shareholder disclosure/notification requirements do not apply to Conrad.</p>
Shareholder right of dissent	There is no shareholder right of dissent under Australian law.	There is no shareholder right of dissent under Singapore law.

Relevant law	Australian law	Singapore law
Directors and officers		
Directors' management of the business of the Company	<p>Under a public company's constituent document, the business of the company is typically to be managed by or under the direction of the public company's board. The directors may exercise all of the power of the company except any powers that the Corporations Act or the public company's constituent document requires the company to exercise in general meeting.</p> <p>The Corporations Act contains a number of statutory duties which are imposed on directors, including the duty of care and diligence, good faith and avoidance of improper use of position.</p>	<p>As provided under Conrad's Constitution, the business of the Company shall be managed or supervised by the directors who may exercise all the powers of the Company except any power that under Singapore law or the Constitution requires the Company to exercise in general meeting.</p> <p>The Singapore Companies Act contains a number of statutory duties which are imposed on directors, including the duty to act honestly and use reasonable diligence in the discharge of the duties of his office. The statutory duties enshrine the common law duties of a director to act in the best interests of the company as well as to exercise due care, skill and diligence in discharging his duties.</p>
Number and election of directors	<p>Under a public company's constituent document, the company typically must have no less than three or more than "x" number of directors, unless the company in a general meeting determines otherwise.</p> <p>Casual vacancies between annual general meetings may be filled by the public company's board, and the board has the power to appoint additional directors, but so that the total number of directors does not at any time exceed the maximum permitted number.</p>	<p>Under the Singapore Companies Act, every company must have at least one director who is ordinarily resident in Singapore. Where the company has only one member, that sole director may also be the sole member of the company.</p> <p>No person other than a natural person who has attained the age of 18 and who is otherwise of full legal capacity shall be a director of a company.</p> <p>Every director, who is by the constitution of the company required to hold a specified share qualification and who is not already qualified, must obtain his qualification within two months after his appointment or such shorter period as is fixed by the constitution.</p> <p>In the case of a public company, the appointment of directors at a general meeting must generally be voted on individually. A motion for the appointment of two or more persons as directors by a single resolution shall not be made unless a resolution that it shall be so made has first been agreed to by the meeting without any vote being given against it.</p> <p>A resolution passed in pursuance of a motion made in contravention of this shall be void, whether or not its being so moved was objected to at the time.</p> <p>The Singapore Companies Act does not contain provisions on the age limit of directors.</p>

8. Additional Information Cont.

Relevant law	Australian law	Singapore law
Remuneration of directors and officers	<p>Under a public company's constituent document, the directors typically determine the amount of remuneration received by each director. However, the maximum amount to be paid to directors for their services as directors is not to exceed the amount approved by shareholders in general meeting.</p> <p>At an annual general meeting, the shareholders of a listed company must vote approval or otherwise of the remuneration report. A strike against the company occurs when a company's remuneration report receives a 'no' vote of 25% or more. Where this occurs, the company's subsequent remuneration report must explain whether shareholders' concerns have been taken into account, and either how they have been taken into account or why they have not been taken into account.</p> <p>A 'second strike' occurs against a listed company where the company's subsequent remuneration report receives a 'no' vote of 25% or more.</p> <p>Where this occurs, shareholders will vote at the same annual general meeting to determine whether the directors will need to stand for re-election within 90 days. If this resolution passes with 50% or more of eligible votes cast, then a 'spill meeting' will take place within 90 days. At the spill meeting, those individuals who were directors when the report was considered at the most recent annual general meeting will be required to stand for re-election (other than the managing director, who is permitted to continue to run the company).</p>	<p>The Singapore Companies Act provides that a company shall not at any meeting or otherwise provide emoluments or improve emoluments for a director in respect of his office as such unless the provision has been approved by a resolution that is not related to other matters, and any resolution passed in breach of this provision is void. For this purpose, the term "emoluments" in relation to a director includes fees and percentages, any sums paid by way of expenses allowance in so far as those sums are charged to income tax in Singapore, any contribution paid in respect of a director under any pension scheme, and any benefits received by him otherwise than in cash in respect of his services as a director.</p>

Relevant law	Australian law	Singapore law
<p>Transactions involving directors, officers or other related parties</p>	<p>The Corporations Act prohibits a public company from giving a related party financial benefit unless it:</p> <ul style="list-style-type: none"> (a) obtains the approval of shareholders and gives the benefit within 15 months after the approval; or (b) the financial benefit is exempt. <p>A related party is defined to include any entity which controls the public company, directors of the public company, directors or any entity which controls the public company and, in each case, spouses and certain relatives of such persons.</p> <p>Exempt financial benefits include indemnities, insurance premiums and payments for legal costs which are not otherwise prohibited by the Corporations Act and benefits given on arm's length terms.</p> <p>The Corporations Act generally requires a director who has a material personal interest in a matter that relates to the affairs of the company to give the other directors notice of that interest. That director must not be present at a meeting where the matter is being considered or vote on the matter unless the other directors or ASIC approve, or the matter is not one which requires disclosure under the Corporations Act. Under the Corporations Act, failure to disclose a material personal interest, or voting despite having a material personal interest, does not affect the validity of a contract in which the director has an interest. When entering into transactions with a public company, directors are subject to the common law and statutory duties to avoid a conflict of interest.</p>	<p>The Singapore Companies Act provides that, where a director or chief executive officer of a company is in any way, whether directly or indirectly, interested in a transaction or proposed transaction with that company, such a director or chief executive officer must, as soon as practicable after the relevant facts have come to his knowledge,</p> <ul style="list-style-type: none"> (a) declare the nature of his interest at a meeting of the directors of the company; or (b) send a written notice to the company containing details on the nature, character and extent of his interest in the transaction or proposed transaction with the company. The Singapore Companies Act also provides that every director and chief executive officer of a company who holds any office or possesses any property whereby whether directly or indirectly, any duty or interest might be created in conflict with their duties or interests as director or chief executive officer shall (i) declare at a meeting of the directors of the company the fact and the nature, character and extent of the conflict; or (ii) send a written notice to the company setting out the fact and the nature, character and extent of the conflict. For these purposes, an interest of a member of a director's or chief executive officer's family (this includes his or her spouse, natural, step or adopted children) is treated as an interest of that director or chief executive officer.

8. Additional Information Cont.

Relevant law	Australian law	Singapore law
Dealing with Shares		
Variation of class rights	<p>Rights attaching to a class of shares in a public company usually may only be varied by special resolution of shareholders, by either:</p> <ul style="list-style-type: none"> (a) a special resolution passed at a meeting of the shareholders holding shares in that class; or (b) with the written consent of shareholders with at least 75% of the votes in that class. 	<p>If at any time the share capital of Conrad is divided into different classes of Shares, all or any of the rights attached to any class (unless otherwise provided by the terms of issue of the Shares of that class) may, whether or not the Company is being wound up, be varied with the consent in writing of the holders of not less than three fourths of the issued Shares of that class, or with the sanction of a special resolution passed at a separate meeting of the holders of the Shares of that class. To any such meeting all the regulations of the Constitution relating to general meetings shall apply, except that the necessary quorum shall be two persons holding or representing by proxy at least one-third of the issued Shares of the class (unless there is only one person holding Shares of that class entitled to vote at such general in which case the quorum shall be one) and that any holder of Shares of the class present in person or by proxy may demand a poll. To every such special resolution, the provisions of Section 184 of the Singapore Companies Act shall with such adaptations as are necessary apply.</p> <p>Under the Singapore Companies Act, if a provision is made in the constitution of a company for authorising the variation or abrogation of the rights attached to any class of shares in the company, subject to the consent of any specified proportion of the holders of the issued shares of that class or the sanction of a resolution passed at a separate meeting of the holders of those shares, and in pursuance of that provision such rights are at any time varied or abrogated, the holders of not less in aggregate than 5.0% of the total number of the issued shares of that class may apply to the Singapore courts to have the variation or abrogation cancelled in accordance with the Singapore Companies Act.</p> <p>The Singapore courts may, if satisfied, having regard to all the circumstances of the case, that the variation or abrogation would unfairly prejudice the shareholders of the class represented by the applicant, disallow the variation or abrogation, and shall, if not so satisfied, confirm it and this decision shall be final.</p>

Relevant law	Australian law	Singapore law
Amendments to constituent documents and right to inspect		
Amendments to constituent documents (constitution)	Any amendment to a public company's constituent document must be approved by a special resolution passed by shareholders present and voting on the resolution.	<p>Unless otherwise provided in the Singapore Companies Act, a company's constitution may be altered by way of special resolution, except that any entrenching provision in the constitution and any provision contained in the constitution before 1 April 2004 which could not be altered before that date may be removed or altered only if all members of the company agree.</p> <p>For these purposes, the term "entrenching provision" means a provision of the constitution of a company to the effect that other specified provisions of the constitution: (a) may not be altered in the manner provided by the Singapore Companies Act; or (b) may not be so altered except by a resolution passed by a specified majority greater than 75.0%, or where other specified conditions are met.</p> <p>Unless otherwise provided in the Singapore Companies Act, any alteration to the constitution of the company takes effect on and from the date of the special resolution approving such alteration or such later date as is specified in the resolution.</p> <p>Subject to Section 33 of the Singapore Companies Act, a company may by special resolution alter the provisions of its constitution with respect to the objects of the company, if any. Where a company proposes to alter its constitution, with respect to the objects of the company, it shall give 21 days' written notice by post or by electronic communications in accordance with the provisions of Singapore Companies Act, specifying the intention to propose the resolution as a special resolution and to submit it for passing at a meeting of the company to be held on a day specified in the notice.</p> <p>Notwithstanding any other provision of the Singapore Companies Act, a copy of the resolution altering the objects of a company shall not be lodged with the Registrar, among others, before the expiration of 21 days after the passing of the resolution, and a copy of the resolution shall be lodged with the Registrar within 14 days thereafter, on compliance with which the alteration, if any, of the objects shall take effect.</p>

8. Additional Information Cont.

Relevant law	Australian law	Singapore law
Other	<p>Under the Corporations Act, any shareholder of a public company can bring an action in cases of conduct which is contrary to the interests of shareholders as a whole, or oppressive to, unfairly prejudicial to, or unfairly discriminatory against, any shareholders(s), whether in their capacity as a shareholder or in any other capacity. Former shareholders can also bring an action if it relates to the circumstances in which they ceased to be a shareholder.</p> <p>A statutory derivative action may also be instituted by a shareholder, former shareholder or person entitled to be registered as a shareholder of the company. In all cases, leave of the court is required.</p> <p>Such leave will be granted if the court is satisfied that:</p> <ul style="list-style-type: none"> (a) it is probable that the company will not itself bring the proceedings or properly take responsibility for them or for the steps in them; (b) the applicant is acting in good faith; (c) it is in the best interests of the company that the applicant is granted leave; (d) if the applicant is applying for leave to bring proceedings, there is a serious question to be tried; and (e) either at least 14 days before making the application, the applicant gave written notice to the company of the interest to apply for leave and the reasons for applying, or it is otherwise appropriate to grant leave. 	<p>A member or a holder of a debenture of a company may seek personal remedies in cases of oppression or injustice, by applying to the Singapore courts for, an order under Section 216 of the Singapore Companies Act on the following grounds:</p> <ul style="list-style-type: none"> (a) that the affairs of the company are being conducted or the powers of the company's directors are being exercised in a manner oppressive to one or more of the members, shareholders or holders of debentures of the company, including the applicant, or in disregard of the interests of his, her or their interests as members, shareholders or holders of debentures of the company; or (b) that some act of the company has been done or is threatened or that some resolution of the members, holders of debentures, or any class of them, has been passed or is proposed which unfairly discriminates against, or is otherwise prejudicial to, one or more of the company's members or holders of debentures, including the applicant. <p>Under Section 216(2) of the Singapore Companies Act, Singapore courts have wide discretion as to the relief they may grant under such application, including, among others: (i) directing or prohibiting any act or cancelling or varying any transaction or resolution; (ii) providing that the company be wound up; or (iii) authorising civil proceedings to be brought in the name of or on behalf of the company by such person or persons and on such terms as the court may direct. In addition, a member of a company who is seeking relief for damage done to the company may bring a common law derivative action or a statutory derivative action under Section 216 of the Singapore Companies Act in certain circumstances against the persons who have done wrong to the company.</p>

Relevant law	Australian law	Singapore law
Takeover bids	<p>The Corporations Act contains a general rule that a person must not acquire a “Relevant Interest” in issued voting shares of a company if, because of the transaction, a person’s voting power in the company:</p> <ul style="list-style-type: none"> (a) increases from 20% or below to more than 20%; or (b) increases from a starting point, which is above 20% but less than 90%. <p>Generally, a person will have a relevant interest in securities if they are the holder of the securities, they have the power to exercise, or control the exercise of, a right to vote attached to the securities or they have the power to dispose of, or control the exercise of a power to dispose of, the securities.</p> <p>Certain exceptions apply, such as acquisitions of Relevant Interests in voting shares made under takeover bids or made with shareholder approval, or that results from a rights issue or creeping acquisitions of 3% per six months.</p> <p>A bidder under a takeover bid may compulsorily acquire any remaining securities in the bid class if the bidder and their associates have relevant interests in at least 90% of the securities in the bid class and acquired at least 75% of the securities that the bidder offered to acquire under the bid.</p>	<p>The Singapore Code on Take-overs and Mergers applies to, among other things, the acquisition of voting shares of Singapore-incorporated listed public companies or unlisted public companies with more than 50 shareholders and net tangible assets of S\$5 million or more. Any person acquiring, whether by a series of transactions over a period of time or not, either on his or her own or together with parties acting in concert with such person, 30% or more of Conrad’s voting shares, or, if such person holds, either on his or her own or together with parties acting in concert with such person, between 30% and 50% (both amounts inclusive) of Conrad’s voting shares, and if such person (or parties acting in concert with such person) acquires additional voting shares representing more than 1% of Conrad’s voting shares in any six-month period, must, except with the consent of the Securities Industry Council in Singapore, extend a mandatory takeover offer for the remaining voting shares in accordance with the provisions of the Singapore Code on Take-overs and Mergers. Responsibility for ensuring compliance with the Singapore Code on Take-overs and Mergers rests with parties (including company directors) to a take-over or merger and their advisors.</p> <ul style="list-style-type: none"> (a) a company, its parent company, subsidiaries and fellow subsidiaries, the associated companies of any of the company and its related companies, subsidiaries and fellow subsidiaries, companies whose associated companies include any of these companies and any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the foregoing for the purchase of voting rights; (b) a company with any of its directors (together with their close relatives, related trusts and companies controlled by any of the directors, their close relatives and related trusts); (c) a company with any of its pension funds and employee share schemes; (d) a person with any investment company, unit trust or other fund whose investment such person manages on a discretionary basis, but only in respect of the investment account which such person manages; (e) a financial or other professional advisor, including a stockbroker, with its client in respect of the shareholdings of the advisor and persons controlling, controlled by or under the same control as the advisor;

8. Additional Information Cont.

Relevant law	Australian law	Singapore law
Takeover bids continued		<p>(f) directors of a company (together with their close relatives, related trusts and companies controlled by any of such directors, their close relatives and related trusts) which is subject to an offer or where the directors have reason to believe a bona fide offer for their company may be imminent;</p> <p>(g) partners; and</p> <p>(h) an individual and:</p> <ol style="list-style-type: none"> i. such person's close relatives; ii. such person's related trusts; iii. any person who is accustomed to act in accordance with such person's instructions; iv. companies controlled by the individual, such person's close relatives, related trusts or any person who is accustomed to act in accordance with such person's instructions; and v. any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the foregoing for the purchase of voting rights. <p>Subject to certain exceptions, a mandatory offer must be in cash or be accompanied by a cash alternative at not less than the highest price paid by the offeror or parties acting in concert with the offeror during the offer period and within the six months prior to its commencement. Under the Singapore Code on Take-overs and Mergers, where effective control of a company is acquired or consolidated by a person, or persons acting in concert, a general offer to all other shareholders is normally required.</p>
"Two Strikes" rule in relation to remuneration reports	<p>The Corporations Act requires that a company's annual report must include a report by the Directors on the company's remuneration framework (called a remuneration report).</p> <p>A resolution must be put to Shareholders at each annual general meeting of the company's Shareholders (AGM) seeking approval for the remuneration report. The approval is advisory only, however, if more than 25% of Shareholders vote against the remuneration report at two consecutive AGMs (that is, two strikes), an ordinary (50.1%) resolution must be put to Shareholders at the second AGM proposing that a further meeting be held within 90 days at which all of the Directors who approved the second remuneration report must resign and stand for re-election.</p>	<p>There is no equivalent "Two Strikes" rule in relation to remuneration reports under the Singapore Companies Act.</p>

8.14 Foreign Selling Restrictions

This Prospectus does not constitute an offer of CDIs in any jurisdiction in which it would be unlawful. In particular, this Prospectus may not be distributed to any person, and the CDIs may not be offered or sold in the Offer, in any country outside Australia except to Institutional Investors in certain countries to the extent permitted in Annexure C.

8.15 Privacy

By filling out and submitting an Application Form to apply for CDIs, you hereby agree to be bound by Conrad's privacy policy, and consent to providing Personal Information or Personal Data (as defined in Conrad's privacy policy) to Conrad and the Share Registry, which is contracted by Conrad to manage Applications, for the purposes stated herein and in Conrad's privacy policy. Conrad, and the Share Registry on its behalf, may collect, hold, use and disclose that Personal Information for the purposes of processing your Application, servicing your needs as a Shareholder, providing facilities, services that you need or request, communicating with you in electronic form or contacting you by telephone in relation to the Offer, and carrying out appropriate administration. If you do not provide the information requested in the Application Form, or withdraw your consent to Conrad's and the Share Registry's collection, use, disclosure, and processing of your Personal Information or Personal Data, Conrad and the Share Registry may not be able to process or accept your Application.

Once you become a Shareholder, the Corporations Act and Australian taxation legislation require information about you (including your name, address and details of the CDIs you hold) to be included in Conrad's Share register. In accordance with the requirements of the Corporations Act, information on the Share register will be accessible by members of the public. The information must continue to be included in the Share register if you cease to be a Shareholder.

Conrad and the Share Registry may use your Personal Information or Personal Data from time to time to inform you about other products and services offered by Conrad which they consider may be of interest to you. Your Personal Information or Personal Data may also be provided to Conrad's agents and service providers on the basis that they deal with such information in accordance with Conrad's privacy policy. The members, agents and service providers of Conrad may be located outside Australia or Singapore and any transfers overseas to the aforementioned agents and service providers will be in accordance with Conrad's privacy policy. The types of agents and service providers that may be provided with your Personal Information or Personal Data and the circumstances in which your Personal Information or Personal Data may be shared include those listed below or as otherwise authorised under the *Privacy Act 1988* (Cth):

- (a) the Share Registry for ongoing administration of the Share register;
- (b) the Joint Lead Managers in order to assess your Application;
- (c) brokers for the purpose of providing their services;
- (d) printers and other companies for the purpose of preparation and distribution of statements and for handling mail;
- (e) market research companies for the purpose of analysing the Shareholder base and for product development and planning; and
- (f) legal and accounting firms, auditors, contractors, management consultants and other advisers for the purpose of administering, and advising on, the CDIs and for associated actions.

Information contained in Conrad's Share register is also used to facilitate corporate communications (including Conrad's financial results, annual reports and other information that Conrad may wish to communicate to its Shareholders) and compliance by Conrad with legal and regulatory requirements.

8. Additional Information Cont.

An applicant has a right to access, correct and update his or her Personal Information or Personal Data that Conrad and the Share Registry hold about that person, subject to certain exemptions under law. A reasonable fee may be charged for access. Access requests must be made in writing or by telephone call to Conrad's Registered Office or the Share Registry's office, details of which are disclosed in the corporate directory on the final page of this Prospectus. Conrad will aim to ensure that the Personal Information or Personal Data it retains about you is accurate, complete and up to date. To assist with this, please contact Conrad or the Share Registry if any of the details you have provided change.

Applicants can obtain a copy of Conrad's privacy policy by visiting the Conrad website (<https://conradasia.com/wp-content/uploads/2022/05/13.-Conrad-Asia-Energy-Limited-Privacy-Policy-final.pdf>).

8.16 Investor considerations

Before deciding to participate in this Offer, you should consider whether the CDIs to be issued are a suitable investment for you. There are general risks associated with any investment in the stock market. The value of CDIs listed on ASX may rise or fall depending on a range of factors beyond the control of Conrad.

If you are in doubt as to the course you should follow, you should seek advice on the matters contained in this Prospectus from a stockbroker, solicitor, accountant or other professional adviser. The potential tax effects relating to the Offer will vary between investors. Investors are urged to consider the possible tax consequences of participating in the Offer by consulting a professional tax adviser.

8.17 ASX waivers and ASIC relief

The Company has not sought any ASX waivers or ASIC relief in connection with the Offer.

8.18 Costs of the Offer

The costs of the Offer are expected to be approximately \$2.8 million (assuming that no Shares are issued pursuant to the Oversubscriptions) and approximately \$3.2 million (assuming the maximum number of Shares are issued pursuant to the Oversubscriptions) exclusive of GST based on the Offer Price. These costs will be borne by Conrad from the proceeds of the Offer. These costs of the Offer include adviser fees as referred to in Section 6.17.

8.19 Australian Taxation Implications

This Section provides a general summary of the Australian tax implications for Australian tax resident Shareholders who participate in the Offer of CDIs in Conrad.

This summary considers only Australian tax resident individuals, trusts (other than managed investment trusts and attribution managed investment trusts), partnerships and complying superannuation entities, each of whom will hold CDIs on their capital account. The summary also applies to Australian resident corporate Shareholders (other than life insurance companies or banks), holding less than a 10% (direct or indirect) holding in the Company (further, this summary only addresses the position for such corporate Shareholders who hold their CDIs on capital account). Consequently, all references to Shareholders in this Section 8.19 should be read in that context. This information is on the basis that the Company is a Singaporean tax resident.

This summary does not consider the consequences for Shareholders:

- holding their CDIs on revenue account or as trading stock or carrying on a business of trading in securities;
- who are exempt from Australian tax;
- who acquired their CDIs in return for services (including under an employee share or option scheme);
- subject to the Taxation of Financial Arrangements rules contained in Division 230 of the *Income Tax Assessment Act 1997* (Cth); or
- subject to the Controlled Foreign Company rules contained in Part X of the *Income Tax Assessment Act 1936* (Cth).

This summary is based on Australian law in force, applicable case law and published rulings, determination and statements of administrative practice of the relevant Australian tax authorities as at the date of issue of this Prospectus and does not consider the laws of countries other than Australia. This summary is general in nature and is not intended to provide a comprehensive account of all applicable laws. The precise implications of a Shareholder's ownership and/or disposal of CDIs will depend on the individual circumstances of such Shareholder.

We recommend Shareholders obtain independent advice on the Australian and foreign taxation implications of holding or disposing of CDIs, taking into account their specific circumstances as relevant.

(a) Dividends on CDIs

Where the Company chooses to distribute dividends on a CDI, those dividends will generally constitute assessable income of an Australian tax resident Shareholder. Such income should be included in the Shareholder's assessable income in the year the dividend is derived for taxation purposes (including under a dividend reinvestment plan as relevant). On the basis that the Company is a Singaporean tax resident, franking credits will not be attached to any dividends paid by the Company on a CDI.

The Double Tax Agreement between Australia and Singapore provides for a Singaporean dividend withholding tax of no more than 15%. Shareholders should seek their own advice in relation to this. If Singaporean dividend withholding tax is withheld on a dividend payment to Australian tax resident Shareholders, there may be a foreign income tax offset available to the shareholder (subject to the relevant criteria being satisfied). Shareholders should seek their own advice in relation to this.

(b) Disposal of CDIs

Disposing of a CDI will be a CGT event in Australia.

A capital gain will arise where the capital proceeds received (or deemed to be received) on the disposal of the CDI exceed the cost base of the CDI (broadly, the amount paid to acquire the CDI plus any transaction costs incurred in relation to the acquisition or disposal of the CDI). In the case of an arm's length on-market cash sale, the capital proceeds will generally be the cash proceeds received from the sale of the CDI.

A capital loss will arise where the reduced cost base of the CDI (broadly, the amount paid to acquire the CDI plus any transaction costs incurred in relation to the acquisition or disposal of the CDI) exceeds the capital proceeds received (or deemed to be received) on the disposal of the CDI. In the case of an arm's length on-market cash sale, the capital proceeds will generally be the cash proceeds received from the sale of the CDI. Capital losses may only be offset against capital gains realised by the Shareholder in the same income year or future income years, subject to certain loss recoupment tests being satisfied. Capital losses cannot be offset against other forms of assessable income.

Generally, all capital gains and losses made by a Shareholder for an income year, plus any net capital losses carried forward from an earlier income year, will need to be aggregated to determine whether the Shareholder has made a net capital gain or net capital loss for the year. A net capital gain is included in a Shareholder's assessable income whereas a net capital loss is carried forward and may be available to be offset against capital gains of later years (subject to the satisfaction of the loss recoupment rules for companies).

8. Additional Information Cont.

A “CGT discount” may generally be applied against the net capital gain where the Shareholder is an individual, complying superannuation entity or trustee of a trust, and the CDI has been held (for income tax purposes) for at least 12 months (excluding the date of acquisition and date of disposal for CGT purposes) prior to the CGT event. Where the “CGT discount” applies, any net capital gain arising to individuals and entities acting as trustees (other than a trust that is a complying superannuation entity) may be reduced by one-half after offsetting current year or prior year capital losses. For a complying superannuation entity, any net capital gain may be reduced by one-third, after offsetting current year or prior year capital losses. The reduced amount is included in assessable income.

Where the Shareholder is the trustee of a trust that has held (for income tax purposes) the CDI for at least 12 months before disposal, the “CGT discount” may flow through to the beneficiaries of the trust if those beneficiaries are not companies and are Australian tax residents. Shareholders that are trustees (and the beneficiaries of any corresponding trust) should seek specific advice regarding the tax consequences of distributions to beneficiaries who may qualify for the “CGT discount”.

No CGT discount applies to a company which holds CDIs.

(c) Stamp Duty

No Australian stamp duty should be payable by a Shareholder on the issue or acquisition of CDIs pursuant to the Offer. Shareholders should seek their own advice as to the impact of stamp duty in their own particular circumstances.

(d) Goods and Services Tax

No GST should be payable by Shareholders in respect of the acquisition or disposal of their CDIs regardless of whether or not the Shareholder is registered for GST.

Shareholders may not be entitled to claim full input tax credits in respect of any GST included in the costs they have incurred in connection with their acquisition or disposal of the CDIs. Separate GST advice should be sought by Shareholders in respect to their particular circumstances.

No GST should be payable by Shareholders on receiving dividends distributed by the Company on the CDIs.

8.20 Singapore Taxation Implications

The following discussion is a summary of Singapore income tax, stamp duty and goods and services tax considerations relevant to the acquisition, ownership and disposition of CDIs. The statements made herein regarding taxation are general in nature and based upon certain aspects of the current tax laws of Singapore and administrative guidelines issued by the relevant authorities in force as of the date hereof and are subject to any changes in such laws or administrative guidelines or the interpretation of such laws or guidelines occurring after such date, which changes could be made on a retrospective basis. The statements made herein do not purport to be a comprehensive or exhaustive description of all of the tax considerations that may be relevant to a decision to acquire, own or dispose of CDIs and do not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as dealers in securities) may be subject to special rules. The statements below are based on the assumptions that the Company is tax resident in Singapore, and that the same Singapore tax treatment applicable to a holder of our ordinary shares should be accorded to a holder of CDIs as well. Prospective shareholders are advised to consult their own tax advisers as to the Singapore or other tax consequences of the acquisition, ownership of or disposal of CDIs, taking into account their own particular circumstances. It is emphasised that neither we nor any other persons involved in this prospectus accept responsibility for any tax effects or liabilities resulting from the acquisition, holding or disposal of CDIs.

(a) Dividends on CDIs

Under the one-tier corporate taxation system, dividends paid by a Singapore tax resident company are tax-exempt in the hands of the shareholders (regardless of their profile or tax residency status). Furthermore, there is no withholding tax in Singapore on dividends paid to non-resident shareholders.

(b) Disposal of CDIs

Singapore currently does not impose tax on capital gains. Any gains from the disposal of CDIs, if regarded as capital gains, are not taxable in Singapore.

There are no specific laws or regulations which deal with the characterisation of whether a gain is income or capital in nature. Gains from the disposal of CDIs are taxable in Singapore if the seller is regarded as having derived gains of an income nature in Singapore. Gains arising from the disposal of CDIs which are derived from any trade, business, vocation or profession carried on by that person, if accruing in or derived from Singapore, are taxable as such gains are considered revenue in nature. Gains derived from the disposal of CDIs may also be taxable if they constitute any gains or profits of an income nature under section 10(1)(g) of the Income Tax Act 1947 of Singapore (**SITA**).

Section 13W of the SITA provides a safe harbor in the form of an exemption of gains or profits arising from the disposal of ordinary shares for disposals made up to 31 December 2027. To qualify for the tax exemption, the divesting company must have legally and beneficially held at least 20.0% of the ordinary shares of the company whose shares are being disposed (**investee company**) for a continuous period of at least 24 months immediately prior to the date of disposal such shares.

The above-mentioned "safe harbor rule" is not applicable under the following scenarios:

- The disposal of shares during the period from 1 June 2012 to 31 May 2022 of an unlisted investee company which is in the business of trading or holding Singapore immovable properties (other than the business of property development).
- The disposals of shares from 1 June 2022 of an unlisted investee company which is in the business of trading, holding, or developing immovable properties in Singapore or abroad, subject to certain exceptions.
- The disposal of shares by a divesting company in the insurance business industry (as referred to under section 26 of the SITA).
- The disposal of shares by a partnership, limited partnership or limited liability partnership, where one or more of the partners is a company or are companies.

Shareholders who have adopted or are required to adopt Financial Reporting Standard 109 Financial Instruments (**FRS 109**) or Singapore Financial Reporting Standard (International) 9 Financial Instruments (**SFRS(I) 9**) (as the case may be) for financial reporting purposes may for Singapore income tax purposes, be required to recognise gains or losses (not being gains or losses that are capital in nature) on CDIs, irrespective of whether there is actual disposal. If so, the gains or losses so recognised may be taxed or allowed as a deduction even though they are unrealised.

Shareholders should consult their own accounting and tax advisers regarding the Singapore income tax consequences of their ownership and disposal of CDIs.

(c) Stamp Duty

Stamp duty should not be payable in Singapore on the issue or allotment of the CDIs as part of the Offer, nor should stamp duty be payable in respect of the acquisition or disposal of CDIs that are quoted on the ASX at the time of the transactions and effected electronically in Australia.

If a CDI holder chooses to transition from holding CDIs to Shares issued by the Company (or transitions from holding Shares issued by the Company back to holding CDIs), depending on the CDI holder's facts and circumstances, this may result in Singaporean stamp duty implications. Shareholders should seek their own independent professional tax advice on the applicable stamp duty implications before choosing to transition from holding CDIs to Shares issued by the Company (or transitioning from holding Shares issued by the Company back to holding CDIs).

8. Additional Information Cont.

(d) Goods and Services Tax (“SGST”)

The sale of CDIs by a SGST-registered investor belonging in Singapore to another person belonging in Singapore is an exempt supply, which is not subject to SGST. Any input SGST incurred by the SGST-registered investor in connection with the making of such an exempt supply is generally not recoverable from the Comptroller of SGST and will become an additional cost to the investor unless the investor satisfies certain conditions prescribed under the SGST legislation or by the Comptroller of SGST.

Where CDIs are sold by a SGST-registered investor to a person who belongs outside Singapore, and for the direct benefit of either a person belonging outside Singapore (and that person is outside Singapore at the time of supply) or a SGST-registered person who belongs in Singapore, the sale is a taxable supply subject to SGST at zero-rate (i.e. GST at 0%). Any input SGST incurred by the SGST-registered investor in the making of such a zero-rated supply, subject to the provisions of the Goods and Services Tax Act 1993 of Singapore, may be recovered from the Comptroller of SGST.

Services consisting of arranging, broking, underwriting or advising on the issue, allotment or transfer of ownership of CDIs rendered by a SGST-registered person to an investor belonging in Singapore for SGST purposes in connection with the investor’s purchase, sale or holding of CDIs will be subject to SGST at the prevailing standard rate of 7.0%. The standard rate of SGST will be increased to 8.0% from 1 January 2023, and to 9.0% from 1 January 2024. Similar services contractually rendered by a SGST-registered person to an investor belonging outside Singapore, and for the direct benefit of either a person belonging outside Singapore (and that person is outside Singapore at the time of supply) or a SGST-registered person who belongs in Singapore should generally be subject to SGST at zero-rate.

8.21 Consents

None of the parties referred to below has made any statement that is included in this Prospectus or any statement on which a statement made in this Prospectus is based, except as specified below. Each of the parties referred to below, to the maximum extent permitted by law, expressly disclaims, and takes no responsibility for, any part of this Prospectus, other than the reference to its name and a statement included in this Prospectus with the consent of that party, as specified below.

- (a) Bell Potter has given consent to being named in this Prospectus as a Joint Lead Manager to the Offer and has not withdrawn consent before the date of this Prospectus. The fees payable to the Joint Lead Managers are described in Section 8.7;
- (b) Canaccord Genuity has given consent to being named in this Prospectus as a Joint Lead Manager to the Offer and has not withdrawn consent before the date of this Prospectus. The fees payable to the Joint Lead Managers are described in Section 8.7;
- (c) Clayton Utz has given its consent to being named in this Prospectus as the Australian legal advisors to Conrad in the form and context in which it is named and has not withdrawn its consent before the date of this Prospectus. Conrad estimates that it will pay Clayton Utz approximately A\$1.2 million (exclusive of GST and disbursements) for the work undertaken in connection with this Prospectus;
- (d) WongPartnership LLP has given its consent to being named in this Prospectus as the Singapore legal advisors to Conrad in relation to certain legal matters in connection with the Offer, in the form and context in which it is named and has not withdrawn its consent before the date of this Prospectus. Among others, WongPartnership LLP did not advise on the Foreign Selling Restrictions set out in Annexure C of the Prospectus. Conrad estimates that it will pay WongPartnership LLP approximately S\$400,000 (excluding disbursements and GST) for the work undertaken in connection with this Prospectus;
- (e) Assegaf Hamzah & Partners has given its consent to:
 - (i) being named in this Prospectus as the Indonesian legal advisors to Conrad in the form and context in which it is named and has not withdrawn its consent before the date of this Prospectus. Conrad estimates that it will pay Assegaf Hamzah & Partners approximately US\$70,000 for the work undertaken in connection with this Prospectus; and
 - (ii) the inclusion of its legal opinion in Annexure F.

- (f) Gaffney, Cline & Associates has given their consent to:
- (i) being named in this Prospectus as the Independent Technical Expert to Conrad in the form and context in which it is named and has not withdrawn its consent before the date of this Prospectus. Conrad estimates that it will pay Gaffney, Cline & Associates approximately US\$120,000 for the work undertaken in connection with this Prospectus; and
 - (ii) the inclusion of the Competent Person's Reports in Annexure D and Annexure E;
- (g) Moore Stephens LLP has given its consent to being named in this Prospectus as the auditor of Conrad, in the form and context in which it is named and has not withdrawn its consent before the date of this Prospectus.
- (h) Moore Australia Corporate Finance (WA) Pty Ltd has given its consent to:
- (i) being named in this Prospectus as Investigating Accountant to Conrad, in the form and context in which it is named and has not withdrawn its consent before the date of this Prospectus. Conrad estimates that it will pay Moore Australia Corporate Finance (WA) Pty Ltd approximately A\$120,000 (exclusive of GST) for the work undertaken in connection with this Prospectus; and
 - (ii) the inclusion of the Independent Limited Assurance Report in Annexure B.
- (i) Boardroom Pty Limited has given and, as at the date hereof, has not withdrawn, its written consent to be named as Share Registrar in the form and context in which it is named. Boardroom Pty Limited has had no involvement in the preparation of any part of the Prospectus other than being named as Share Registrar to the Company. Boardroom Pty Limited has not authorised or caused the issue of, and expressly disclaims and takes no responsibility for, any part of the Prospectus.
- (j) Boardroom Corporate & Advisory Services Pte. Ltd. has given, and, as at the date hereof, has not withdrawn its written consent to be named as company secretary in the form and context in which it is named. Boardroom Corporate & Advisory Services Pte. Ltd. has had no involvement in the preparation of any part of the Prospectus other than being named as company secretary to the Company. Boardroom Corporate & Advisory Services Pte. Ltd. has not authorised or caused the issue of, and expressly disclaims and takes no responsibility for, any part of the Prospectus.
- (k) CoSec Services Pty Ltd has given, and, as at the date hereof, has not withdrawn its written consent to be named as Australian Local Agent in the form and context in which it is named. CoSec Services Pty Ltd has had no involvement in the preparation of any part of the Prospectus other than being named as company secretary to the Company. CoSec Services Pty Ltd has not authorised or caused the issue of, and expressly disclaims and takes no responsibility for, any part of the Prospectus.
- (l) MEMR has given, and, as at the date hereof, has not withdrawn its written consent in the form and context in which it is named. MEMR has had no involvement in the preparation of any part of the Prospectus other than in the form and context which it is named. MEMR has not authorised or caused the issue of, and expressly disclaims and takes no responsibility for, any part of the Prospectus.

Except as set out in this Prospectus, no person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus has any interest or has had any interest during the last two years, in Conrad or its investments. In addition, no amount has been paid or agreed to be paid, and no benefit has been given, or agreed to be given, to any such person for the services provided by the person to Conrad in connection with the promotion of Conrad.

8. Additional Information Cont.

Conrad has also included statements in this Prospectus made by, attributed to or based on statements made by the following parties:

- (a) Bloomberg Quint, 'Cost of Capital Spikes for Fossil-Fuel Producers', Tim Quinson, 9 November 2021.
- (b) bp, Statistical Review of World Energy 2021, 70th edition.
- (c) DNV, 'Energy Transition Outlook, 2021 Highlights – Core Insights', 2021.
- (d) Energy Market Authority of Singapore, Singapore Energy Statistics 2021.
- (e) Data extracted from presentation by Kusi Widodo entitled 'Indonesia Gas Price and Market Outlook PT Pertamina Gas', 2021, IPA CONVEX, September 2021, Slide 13.
- (f) Data extracted from presentation by Budiman Parhusip entitled 'Improving Gas Utilisation as Energy Transition Cleaner Fuel', Pertamina Subholding Upstream Energy, IPA CONVEX, September 2021, Slide 3.
- (g) Goldman Sachs, 'Carbonomics – The green engine of economic recovery', 16 June 2020.
- (h) Investopedia, 'OPEC's Influence on Global Oil Prices', Nick Lioudis, 9 September 2021.
- (i) Ministry of Environment and Forestry, 'Indonesia Long-Term Strategy for Low Carbon and Climate Resilience 2050', 2021.
- (j) PricewaterhouseCoopers, 'Oil & Gas in Indonesia, Investment and Taxation Guide', 11th Edition, December 2020.
- (k) Reuters, 'RPT-Oil-linked LNG may be here to stay after spot market skyrockets', Jessica Jaganathan, 15 January 2021.
- (l) SKK Migas, 'Indonesia Gas Development' presentation, Muhammad Anas Pradipta, November 2021.
- (m) US Energy Information Administration, Frequently Asked Questions (FAQs), 28 October 2021.
- (n) US Energy Information Administration, International, Singapore Overview, Natural Gas Section, August 2021.
- (o) US Energy Information Administration, 'The Role of Gas in Today's Energy Transitions', World Energy Outlook Special Report, July 2019.
- (p) Wood Mackenzie, 'Indonesia Upstream Summary', February 2022.
- (q) Wood Mackenzie, 'Indonesia Upstream Summary', Country Report, August 2021.

The inclusion of statements made by, attributed to or based on statements made by these parties has not been consented to by the relevant party for the purpose of section 729 of the Corporations Act and are included in this Prospectus by Conrad on the basis of ASIC Corporations (Consent to Statements) Instrument 2016/72 relief from the Corporations Act for statements used from books, journals or comparable publications.

8.22 Documents Available for Inspection

The following documents are available for inspection during normal business hours at the Registered Office of Conrad:

- (a) this Prospectus; and
- (b) the Constitution.

8.23 Contract summaries

Summaries of contracts set out in this Prospectus (including the summary of the Offer Management Agreement set out in Section 8.7) are included for the information of potential investors but not do purport to be complete and are qualified by the text of the contracts themselves.

8.24 Photos and diagrams

Photographs and diagrams used in this Prospectus that do not have descriptions are for illustration only and should not be interpreted to mean that any person shown in them endorses this Prospectus, its contents or that the assets shown in them are owned by Conrad. Diagrams used in this Prospectus are illustrative only and may not be drawn to scale. Unless otherwise stated, all data contained in charts, graphs and tables is based on information available at the Prospectus Date.

8.25 Further Information

Further information on Conrad can be found at the Company's website: www.conradasia.com.

8.26 Governing law

This Prospectus and the contracts that arise from the acceptance of the applications under this Prospectus are governed by the laws applicable in Western Australia and each applicant under this Prospectus submits to the exclusive jurisdiction of the courts of Western Australia and of the Commonwealth of Australia.

8.27 Statement of Directors

The Directors have unanimously given (and not withdrawn) their consent to lodgement of this Prospectus with ASX.

In accordance with section 720 of the Corporations Act, each Director has consented in writing to the lodgement of this Prospectus with ASIC and has not withdrawn that consent before its lodgement with ASIC.

Signed for and on behalf of the directors and the proposed directors of Conrad.



Peter Botten CBE AC
Non-Executive Chairman
For and on behalf of Conrad Asia Energy Ltd.

Dated: : 9 September 2022



9. Glossary

9. Glossary

In this Prospectus (excluding the Appendices), unless the context requires otherwise:

Term	Definition
A\$	means Australian dollars.
\$ and US\$	means United States dollars.
Aceh JSAs	means the Offshore Northwest Aceh JSA and the Offshore Southwest JSA, in which Conrad has completed joint studies and located in the offshore areas of the Aceh Province in Indonesia.
ACN	means Australian Company Number.
AEST	means Australian Eastern Standard Time.
Application	means an application made to acquire CDIs offered under this Prospectus.
Application Form	means the application form attached to or accompanying this Prospectus in either paper or electronic format.
ARBN	means Australian Registered Body Number.
ASIC	means the Australian Securities and Investments Commission.
ASX	means the ASX Limited ACN 008 624 691 or the Australian Securities Exchange, as the context requires.
ASX Listing Rules	means the official listing rules of the ASX.
ASX Settlement	means ASX Settlement Pty Ltd ACN 008 504 532.
ASX Settlement Operating Rules	means the rules of the ASX Settlement.
ATO	means Australian Taxation Office.
Australian Lawyers	means the Australian lawyers advising Conrad in relation to its application to list on the ASX.
Best Case	(or Estimate) is defined in the SPE PRMS (2018 v.1.01). With respect to resources categorization, the most realistic assessment of recoverable quantities if only a single result were reported. If probabilistic methods are used, there should be at least a 50% probability (P50) that the quantities actually recovered will equal or exceed the best estimate.
Bcf	means billion standard cubic feet.
Board	means the board of Directors of Conrad as constituted from time to time.

9. Glossary Cont.

Term	Definition
Bookbuild	means the process through which Institutional Investors may be invited to bid under the Institutional Offer as described in Section 7.6.
Broker	means any ASX participating organisation selected by Conrad and the Joint Lead Managers to act as broker to the Offer.
Broker Firm Offer	means the offer of CDIs under this Prospectus to Australian resident retail clients of the Joint Lead Managers who receive a firm allocation of CDIs from the Joint Lead Managers provided that such clients are not in the United States, as described in Section 7.4.
Btu	means British Thermal Unit a unit of energy usage.
Business Day	means a day which is not a Saturday, Sunday or public holiday in Australia.
CDI	means CHESS Depository Interest(s).
CDN	means CHESS Depository Nominees Pty Limited.
CFO	means Chief Financial Officer.
CGT	means capital gains tax under Australian taxation law.
CHESS	means the Clearing House Electronic Sub-Register System operated by ASX Settlement.
Closing Date	means the closing date of the Offer as set out in the Key Dates (subject to Conrad reserving the right to extend the Closing Date or close the Offer early).
Company or Conrad	means Conrad Asia Energy Ltd. ARBN 656 246 678.
Competent Person's Report	means the report prepared by the Independent Technical Expert in Annexure D or Annexure E, depending on the context.
Completion	means the completion of the Offer, being the date on which all of the CDIs are issued to successful applicants in accordance with the terms of the Offer.
Constitution	means the constitution of the Company.
Contingent Resources	means those quantities of petroleum estimated, as of a given date, to be potentially recoverable from known accumulations by application of development projects, but which are not currently considered to be commercially recoverable owing to one or more contingencies.

Term	Definition
Contractor	(when used in reference to a PSC) means any upstream company that is party to a PSC.
Conversion Price	has the meaning given to the term in Section 6.15.
Corporations Act	means the <i>Corporations Act 2001</i> (Cth) as amended from time to time.
Corporations Regulations	means the <i>Corporations Regulations 2001</i> (Cth) as amended from time to time.
COVID-19	means coronavirus disease.
DGOG	means the Director of Oil and Gas of MEMR.
Director	means the Company's directors as detailed in Section 6.1.
Duyung JOA	means the JOA between WNEL, Emphyrean Energy PLC and Coro Energy PLC dated 21 May 2021 and summarised in Section 8.5(b).
Eligible US Fund Manager	means a dealer or other professional fiduciary organised or incorporated in the United States that are acting for a discretionary or similar account (other than an estate or trust) held for the benefit or account of persons that are not US persons for which they have and are exercising investment discretion within the meaning of Rule 902(k)(2)(i) of Regulation S under the US Securities Act.
ELT	means Economic Limit Test, an economics test to determine the time when the maximum cumulative net cash flow occurs for a project.
Escrowed Securities	means the Shares and CDIs held by the Escrowed Shareholders and subject to dealing restrictions for the periods described in the table in Section 6.18.
Escrowed Shareholders	means Shareholders that have entered into voluntary escrow arrangements with the Company in relation to their Escrowed Securities as set out in the table in Section 6.18.
Executive Leadership Team	includes the people identified at Section 6.2.
Existing Shareholders	means a holder of shares or other convertible securities, warrants or rights in the Company at the Prospectus Date.
Exposure Period	means the seven-day period commencing after the lodgement of this Prospectus with ASIC during which no Applications may be accepted, which may be extended by ASIC by up to an additional seven days.
FID	means Final Investment Decision, being the stage during the life cycle of a project where a company decides to move forward or withhold the project.

9. Glossary Cont.

Term	Definition
Financial Information	has the meaning given in Section 4 of this Prospectus.
FY19	means the financial year ended 31 December 2019.
FY20	means the financial year ended 31 December 2020.
FY21	means the financial year ended 31 December 2021.
GcoS	means geological chance of success, which is an indicative estimate of the probability that the drilling of a prospect would result in a discovery of hydrocarbons.
Governmental Authority	means any government or any governmental, semi-governmental, administrative, fiscal or judicial body, department, commission, authority, tribunal, agency, bureau, municipal, board, stock exchange (including ASX), instrumentality or entity in any jurisdiction relevant to the Offer, the Offeror or the Group and includes without limitation ASIC, ATO, ACCC and the Takeovers Panel.
Gross Field	means the entirety of a petroleum accumulation irrespective of the PSCs within which it is located.
Group	means Conrad Asia Energy Ltd. and its subsidiaries and associated entities.
GST	means Australian goods and services tax as imposed under the <i>A New Tax System (Goods and Services Tax) Act 1999</i> (Cth).
High Case	(or Estimate) is defined in the SPE PRMS (2018 v.1.10). With respect to resources categorization, this is considered to be an optimistic estimate of the quantity that will actually be recovered from an accumulation by a project. If probabilistic methods are used, there should be at least a 10% probability (P10) that the quantities actually recovered will equal or exceed the high estimate.
IASB	means the International Accounting Standards Board.
IFRS	means the International Financial Reporting Standards.
Independent Limited Assurance Report	means the report prepared by the Investigating Accountant in Annexure B.
Independent Technical Expert or GaffneyCline	means Gaffney, Cline & Associates (Consultants) Pte. Ltd.
Indicative Market Capitalisation	means Offer Price multiplied by the total number of Shares on Completion.

Term	Definition
Institutional Investors	<p>means an Applicant (and any person for whom it is acting) who is an institutional or professional investors in the Permitted Jurisdictions to whom offers or invitations in respect of securities can be made without the need for a lodged prospectus or other formality (except Canada, where a notice reporting any sales of securities must be filed with the relevant provincial securities regulator), and in particular:</p> <ul style="list-style-type: none"> (a) if in Australia, it (and any such person) is a person to whom offers or invitations can be made without the need for a lodged prospectus under section 708 of the Corporations Act (disregarding section 708AA); (b) if in Bermuda, it (and any such person) is an institutional or professional investor who acknowledges that any communications received in relation to the Offer occurred from outside Bermuda; (c) if in Canada (British Columbia, Ontario and Quebec provinces only), it (and any such person) is an “accredited investor” as defined in National Instrument 45-106 – Prospectus Exemptions (“NI 45-106”); (d) if in the Cayman Islands, it (and any such person) is an institutional or professional investor who acknowledges that any communications received in relation to the Offer occurred from outside the Cayman Islands; (e) if in the European Union, it (and any such person) is a “qualified investor” (as defined in Article 2(e) of the Regulation (EU) 2017/1129 of the European Parliament and the Council of the European Union); (f) if in Hong Kong, it (and any such person) is a “professional investor” as defined under the Securities and Futures Ordinance of Hong Kong, Chapter 571 of the Laws of Hong Kong; (g) if in Indonesia, it (and any such person) is an institutional or professional investor who acknowledges that it did not receive the Offer through any mass media or other public communications in Indonesia; (h) if in New Zealand, it (and any such person) is a person who (i) is an investment business within the meaning of clause 37 of Schedule 1 of the <i>Financial Markets Conduct Act 2013</i> (New Zealand) (the “FMC Act”), (ii) meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act, (iii) is large within the meaning of clause 39 of Schedule 1 of the FMC Act, (iv) is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act or (v) is an eligible investor within the meaning of clause 41 of Schedule 1 of the FMC Act (and, if an eligible investor, have provided the necessary certification); (i) if in Norway, it (and any such person) is a “professional client” as defined in Norwegian Securities Trading Act of 29 June 2007 no. 75; (j) if in Singapore, it (and any such person) is an “institutional investor” or an “accredited investor” (as such terms are defined in the Securities and Futures Act of Singapore); (k) if in Switzerland, it (and any such person) is a “professional client” within the meaning of article 4(3) of the Swiss Financial Services Act (“FinSA”) or have validly elected to be treated as a professional client pursuant to article 5(1) of the FinSA;

9. Glossary Cont.

Term	Definition
Institutional Investors continued	(l) if in the United Kingdom , it (and any such person) is (i) a “qualified investor” within the meaning of Article 2(e) of the UK Prospectus Regulation; and (ii) within the categories of persons referred to in Article 19(5) (investment professionals) or Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the UK Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended; and (m) if in the United States , it (and any such person) is (i) an institutional accredited investor (within the meaning of Rule 501(a)(1), (2), (3), (7), (8), (9) or (12) under the US Securities Act) or (ii) an Eligible US Fund Manager.
Institutional Offer	means the offer of CDIs under this Prospectus to Institutional Investors in the Permitted Jurisdictions as described in Section 7.6.
Investigating Accountant	means Moore Australia Corporate Finance (WA) Pty Ltd.
IPO	means initial public offering.
IRR	means internal rate of return.
JOA	means joint operating agreement.
Joint Lead Managers	means Bell Potter Securities Limited ACN 006 390 772 and Canaccord Genuity (Australia) Limited ACN 075 071 466.
JSA	means joint study area.
Leads	means a poorly defined potential petroleum accumulation with a low confidence on risk and resources estimates. A lead will require further technical work/ expenditure to further mature or drop.
LNG	means liquified natural gas. LNG is natural gas that has been converted to a liquid form (i.e. cooled to approximately -260 Fahrenheit) for ease and safety of natural gas transport.
Loan Warrant Agreement	refers to the warrants instrument dated 14 June 2021 as described in Section 6.14.
Loan Warrants	means the Warrants issued pursuant to the Loan Warrant Agreement.
Low Case	(or Estimate) is defined in the SPE PRMS (2018 v.1.01). With respect to resources categorization, this is a conservative estimate of the quantity that will actually be recovered from the accumulation by a project. If probabilistic methods are used, there should be at least a 90% probability (P90) that the quantities actually recovered will equal or exceed the low estimate.

Term	Definition
Mandatory Escrow Deed	means an escrow deed Chapter 9 of the ASX Listing Rules as agreed with ASX, entered into between an Escrowed Shareholder (and any controller) and the Company restricting dealing in CDIs in respect of Shares held by the Escrowed Shareholder as described in Section 6.18(b).
MEMR	means the Indonesian Ministry of Energy and Mineral Resources.
MEMR Regulation 5/2012	means Minister of Energy and Mineral Resources Regulation No. 5 of 2012 on Procedures of Determining and Bidding Non-Conventional Oil and Gas Working Areas, as revoked by MEMR Regulation 35/2021.
MEMR Regulation 35/2021	means the Minister of Energy and Mineral Resources Regulation No. 35 of 2021 on Procedures of Determining and Bidding Oil and Gas Working Areas.
MMBOE	means millions of barrels of oil equivalent.
New Incentive Plan	means the new incentive plan of the Company as described at Section 6.12.
Offer	means the offer of CDIs under this Prospectus, comprising the Institutional Offer, the Broker Offer, the Priority Offer and the Public Offer.
Offeror	means Conrad.
Offer Information Line	means 1300 737 760 (from within Australia) or +61 2 9290 9600 (from outside of Australia).
Offer Management Agreement	means the offer management agreement between the Company and the Joint Lead Managers as described in Section 8.7.
Offer Price	means A\$1.46.
Official List	means the official list of securities admitted to ASX.
Official Quotation	means quotation on the Official List.
Offshore Waters	means marine waters outside the territorial boundaries of the state or country.
Options	means the entitlement to receive 1 CDI pursuant to the New Incentive Plan and on the terms described in Section 6.13.
Other Existing Owners	means existing owners who are not employees, Directors or members of the Leadership Team.

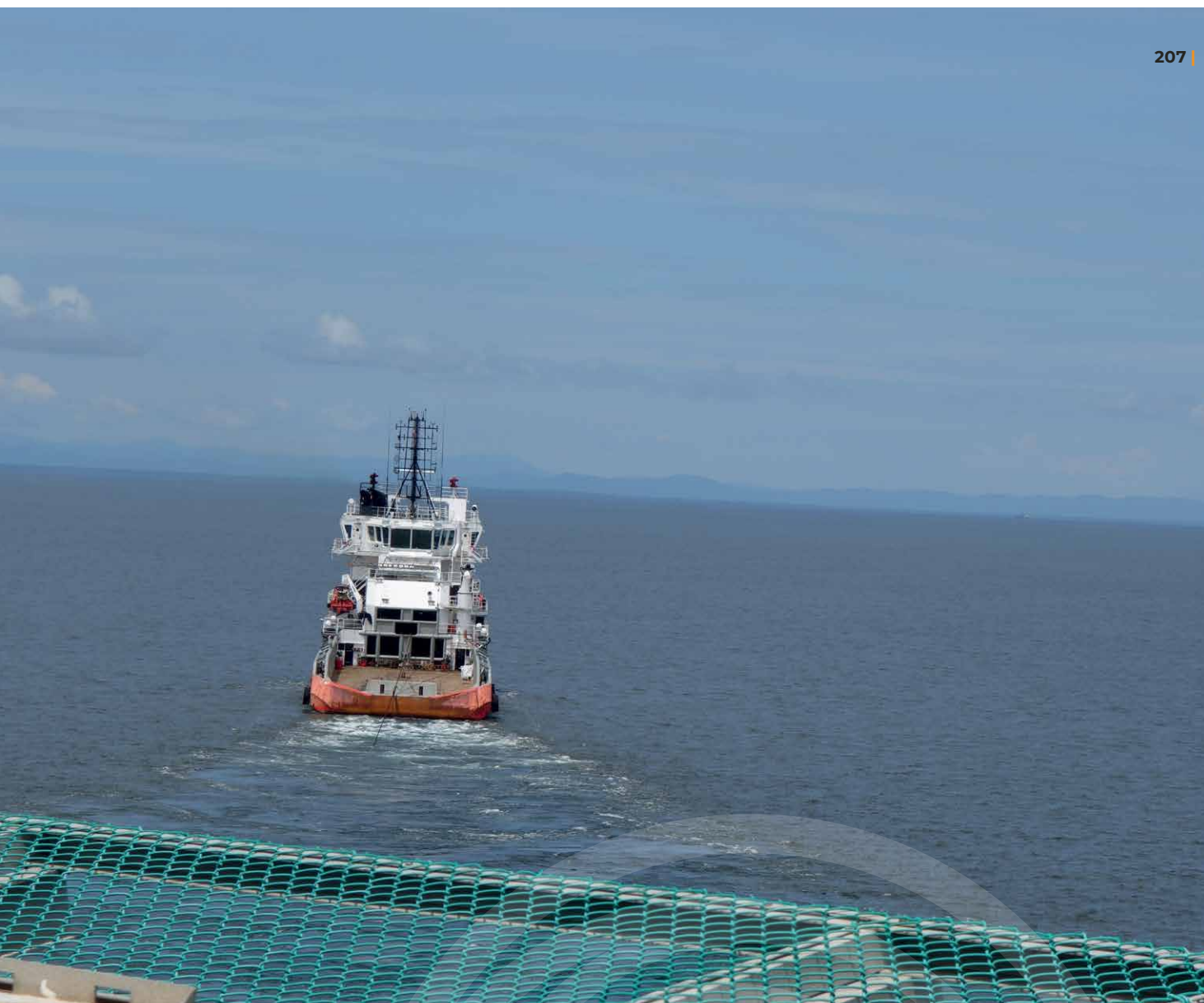
9. Glossary Cont.

Term	Definition
Oversubscriptions	means Applications of up to an additional \$10.0 million in excess of the \$45.0 million of Applications that may be accepted by the Company pursuant to the Offer, for a total capital raising of A\$55.0 million.
P10	means when a range of uncertainty (e.g. petroleum volumes) is represented by a probability distribution, there should be at least a 10% probability that the quantities actually recovered will equal or exceed the stated estimate.
P50	means when a range of uncertainty (e.g. petroleum volumes) is represented by a probability distribution, there should be at least a 50% probability that the quantities actually recovered will equal or exceed the stated estimate.
P90	means when a range of uncertainty (e.g. petroleum volumes) is represented by a probability distribution, there should be at least a 90% probability that the quantities actually recovered will equal or exceed the stated estimate.
Participating Interest	means the undivided rights, interests and obligations of the Contractor in and under a PSC agreement. For avoidance of doubt, if a Contractor comprises more than one Participating Interest holder, each of such Participating Interest holders constitutes a Contractor and shall have the rights and interests in the same percentage share of the Participating Interest it holds under the PSC.
Permitted Jurisdictions	means each of Bermuda, Canada (British Columbia, Ontario and Quebec Provinces), Cayman Islands, European Union, Hong Kong, Indonesia, New Zealand, Norway, Singapore, Switzerland, United Kingdom and United States.
Point of Delivery or Point of Export	means the point of delivery/export contemplated by Law No. 22 of 2001 on Oil and Natural Gas as amended by Law No. 11 of 2020, which is the outlet flange of the loading arm after final sales meter at the delivery terminal, or, some other point(s) mutually agreed by the Parties under the relevant PSC.
Priority Offer	means the offer of CDIs under this Prospectus to investors who have received an invitation to participate in the Offer from the Company as described in Section 7.5.
PRMS	means Petroleum Resources Management System, which was approved by the Society of Petroleum Engineers, the World Petroleum Council, the American Association of Petroleum Geologists, the Society of Petroleum Evaluation Engineers, the Society of Exploration Geophysicists, the Society of Petrophysicists and Well Log Analysts, and the European Association of Geoscientists and Engineers in June 2018, Version 1.01.
Progressive Component	means an element in the calculation of the Contractor's entitlement to production for each field as described in the PSC. This includes factors such as crude oil and gas price and oil and gas cumulative production.

Term	Definition
Prospect	means a clearly defined potential petroleum accumulation with a higher confidence on risk and resources estimates. A prospect may require further technical work/expenditure to refine risks and resource estimates and select a drilling location.
Prospectus	means this document (including the electronic form of this Prospectus) and any supplementary or replacement prospectus in relation to this document.
Prospectus Date	means the date this Prospectus was lodged with ASIC, being 9 September 2022.
PSC	means Production Sharing Contract.
PT Pertamina (Persero) or Pertamina	means the Indonesian state-owned company in the areas of oil and gas.
Public Offer	means the offer of CDIs under this Prospectus to the general public as described in Section 7.7.
Registered Office	means the offices located at 84 Amoy Street #03-01, Singapore 069903.
S\$	means Singapore dollars.
SAFE Warrant	has the meaning given in Section 6.15, the terms of which are described in Section 6.16.
Sales Gas	means the quantity of gas and any non-hydrocarbon product delivered at the custody transfer point (reference point) with specifications and measurement conditions as defined in the sales contract and/or by regulatory authorities.
Section	means a section of this Prospectus.
Settlement	means Settlement in respect of the Shares which are subject of the Offer.
Share	means a fully paid ordinary share in the capital of the Company, or a CDI in respect of that share, as the context requires.
Shareholder	means a registered holder of Shares (including CDIs) in the Company.
Share Registry	means Boardroom Pty Limited ABN 14 003 209 836.
Share Rights	means the rights to acquire Shares issued pursuant to the New Incentive Plan described in Section 6.13.
US	means the United States of America.
US Offering Circular	means the offering circular that must accompany any distribution of the Prospectus in the United States to Institutional Investors.

9. Glossary Cont.

Term	Definition
Variable Component	means an element in the calculation of the Contractor's entitlement to production for each field as described in the Production Sharing Contract. This includes factors such as field size, field location, reservoir depth, supporting infrastructure availability, reservoir type, CO ₂ content, H ₂ S content, oil specific gravity, local content, and production phase.
Voluntary Escrow Deed	means an escrow deed entered into between an Escrowed Shareholder (and any controller) and the Company restricting dealing in CDIs in respect of Shares held by the Escrowed Shareholder as described in Section 6.18(c).
Warrants	means existing warrants, each over 1 Share, and comprises the Loan Warrants and the SAFE Warrants.
WNEL	means West Natuna Exploration Limited, a subsidiary of Conrad.



Annexure A: **Key Accounting Policies**

Annexure A: Key Accounting Policies

1. Significant Accounting Policies

The principal accounting policies adopted in the preparation of the Financial Information are set out below. These policies have been consistently applied during the years and period presented, unless otherwise stated.

2. General

The financial information includes that attributable to Conrad.

Conrad Asia Energy Ltd. (the “Company”) is incorporated and domiciled in Singapore. The address of its registered office and principal place of business is located at 84 Amoy Street #03-01, Singapore 069903. The principal activities of the Company are oil and gas exploration and development.

The financial information is presented in United States dollars (“US\$”), which is the functional currency of the Company.

Going concern

The consolidated Financial Information has been prepared on the basis of accounting principles applicable to a going concern, which assumes that Conrad will continue in operation for the foreseeable future and will be able to realise its assets and discharge its liabilities in the normal course of operations. The Company continues to incur operating losses, has limited financial resources, a limited source of operating cash flow, and no assurances that sufficient funding, including adequate financing, will be available to enable it to continue its operations. These material uncertainties may cast a significant doubt on the validity of the going concern assumption.

The Company’s ability to continue as a going concern is dependent upon its ability to obtain the funding or financing necessary, from either shareholders or new investors, including pursuant to the proposed capital raising via this Prospectus, to continue operations.

If the going concern assumption was to no longer be appropriate then adjustments may be necessary to the carrying values of assets, liabilities, reported income and expenses and the statement of financial position classifications adopted in this Financial Information. Such adjustments could be material.

3. Basis of Preparation

Statement of Compliance

The consolidated Financial Information has been prepared in accordance with Australia Accounting Standards (“AAS”), Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001*. The financial information also complies with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and interpretations of the IFRS Interpretations Committee (“IFRIC”). They have been prepared on a historical cost basis, except for financial instruments classified as financial instruments at fair value through profit or loss, which are stated at their fair value. In addition, this consolidated Financial Information has been prepared using the accrual basis of accounting, except for cash flow information.

Use of estimates and judgments

The preparation of the Group’s financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of each reporting period. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

(a) Critical Judgements in applying Accounting Policies

Determination of functional currency

In determining the functional currency of the Group, judgment is used by the Group to determine the currency of the primary economic environment in which the Group operates. Consideration factors include the currency that mainly influences sales prices of goods and services and the currency of the country whose competitive forces and regulations mainly determines the sales prices of its goods and services.

Exploration and evaluation expenditures

The application of the Group's accounting policy for exploration and evaluation expenditure requires judgement to determine whether it is likely that future economic benefits are likely, either from future exploitation or sale, or whether activities have not reached a stage which permits a reasonable assessment of the existence of reserves. The determination of reserves and resources is itself an estimation process that requires varying degrees of uncertainty depending on how the resources are classified. These estimates directly impact when the Group defers exploration and evaluation expenditure.

The deferral policy requires management to make certain estimates and assumptions as to future events and circumstances, in particular, whether an economically viable extraction operation can be established. Any such estimates and assumptions may change as new information becomes available. If, after expenditure is capitalised, information becomes available suggesting that the recovery of the expenditure is unlikely, the relevant capitalised amount is written off in profit or loss in the period when the new information becomes available.

(b) Key Sources of Estimation Uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the statement of financial position, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Impairment of non-financial assets

The Group assesses whether there are any indicators of impairment for all non-financial assets at each reporting date. Non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable.

Useful lives of plant and equipment

The useful life of an item of plant and equipment is estimated at the time the asset is acquired and is based on historical experience with similar assets and takes into account anticipated technological or other changes. If changes occur more rapidly than anticipated or the asset experiences unexpected level of wear and tear, the useful life will be adjusted accordingly. The carrying amount of plant and equipment at the end of reporting period is disclosed in Note 10.

Provision for expected credit losses of trade receivable and contract assets

The Group and the Company use a provision matrix to calculate ECLs for trade receivable and contract assets. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns.

The provision matrix is initially based on the Group's and the Company's historical observed default rates. The Group and the Company will calibrate the matrix to adjust historical credit loss experience with forward-looking information. At every reporting date, historical default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

Annexure A: Key Accounting Policies Cont.

Share-based compensation

During the financial period ended 31 December 2021, the Company established a share option plan for key management personnel of the Group to receive shares of the Company. The Group measures the cost of equity-settled transactions with employees with reference to the fair value of the equity instruments at the date at which they are granted. Estimating the fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant.

The amounts disclosed relating to fair value of share warrants issued are based on estimates of the Company's current share value, warrant exercise prices, future volatility in the Company's share price, expected lives of warrants, the risk-free interest rate, and other relevant assumptions. Volatility is estimated by reference to the average price volatility of international oil prices and ordinary shares of a comparative group of companies over the preceding period equalling the expected lives of Conrad warrants. An estimated forfeiture rate is applied to the valuation of all equity units over the vesting period and is subsequently adjusted to reflect the actual number of equity awards that ultimately vest.

Exploration and Evaluation (E&E) Assets

The application of the Company's accounting policy for E&E expenditures requires judgment in determining whether future economic benefits are likely before activities have reached a stage at which technical feasibility and commercial viability can be reasonably determined. Factors such as drilling results, future capital programs, future commodity prices, future operating costs, as well as estimated economically recoverable reserves are considered.

Business Combinations

The purchase method of accounting is used to account for acquisitions of businesses and assets that meet the definition of a business under IFRS. The cost of an acquisition is measured as the fair value of the assets given up, equity instruments issued and liabilities incurred or assumed at the date of exchange. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. If the consideration of acquisition given up is less than the fair value of the net assets received, the difference is recognized immediately in the income statement. If the consideration of acquisition is greater than the fair value of the net assets received, the difference is recognized as goodwill on the statement of financial position. Acquisition costs incurred are expensed.

4. Significant Accounting Policies

(a) Basis of consolidation and principle of consolidation

Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give power, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;

- rights arising from other contractual agreements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

The Group applies the acquisition method to account for business combinations when the acquired set of activities and assets meets the definition of a business and control is transferred to the Group. In determining whether an integrated set of activities and assets is a business, the Group assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive process that together significantly contribute to the ability to create output. A business can exist without including all of the inputs and processes needed to create output. The Group has an option to apply a 'fair value concentration test' that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The concentration test can be applied on a transaction-by-transaction basis. The optional concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets. If the test is met, the set of activities and assets is determined not to be a business and no further assessment is needed. If the test is not met, or if the Group elects not to apply the test, a detailed assessment must be performed applying the normal requirements in IFRS 3.

The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognised in profit or loss.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in profit or loss. Contingent consideration that is classified as equity is not remeasured, and its subsequent settlement is accounted for within equity.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in profit or loss.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment indicator of the transferred assets. When necessary, amounts reported by subsidiaries have been adjusted to conform with the Group's accounting policies.

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

Annexure A: Key Accounting Policies Cont.

When the Group loses control of a subsidiary, it:

- derecognises the assets (including any goodwill) and liabilities of the subsidiary at their carrying amounts at the date when control is lost;
- derecognises the carrying amount of any non-controlling interest (including any components of other comprehensive income attributable to them);
- recognises the fair value of the consideration received;
- recognises the fair value of any investment retained in the former subsidiary at its fair value;
- re-classifies the Group's share of components previously recognised in other comprehensive income to profit or loss or retained earnings, as appropriate; and
- recognises any resulting difference as a gain or loss in profit or loss.

Investments in subsidiary companies are carried at cost less accumulated impairment losses in the statement of financial position of the Company. On disposal of investment in subsidiaries the difference between the net disposal proceeds and the carrying amount of the investment are recognised in profit or loss.

(b) Cash and cash equivalents

Cash and cash equivalents comprise cash at banks and on hand which are subject to an insignificant risk of changes in value.

(c) Exploration and evaluation (E&E) assets

Exploration and evaluation activity involves the search for oil and gas resources, the determination of technical feasibility and the assessment of the commercial viability of an identified resource. Costs incurred before the Group has obtained the legal rights to explore an area are recognised in profit or loss.

Exploration and evaluation costs are capitalised in respect of each area of interest for which the rights to tenure are current and where:

- the exploration and evaluation costs are expected to be recouped through successful development and exploitation of the area of interest, or alternatively, by its sale; or
- exploration and evaluation activities in the area of interest have not reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the areas of interest are continuing.

Exploration and evaluation assets comprise, among others, costs that are directly attributable to researching and analysing existing exploration data, gathering exploration data through topographical, geochemical and geophysical studies, exploratory drilling, trenching and sampling, determining and examining the volume and grade of the resource, examining and testing extraction and treatment methods, surveying transportation and infrastructure requirements, compiling pre-feasibility and feasibility studies and/or gaining access to areas of interest including occupancy and relocation compensation and other directly attributable costs of exploration and appraisal including technical and administrative costs.

General and administrative costs are allocated to, and included in, the cost of exploration and evaluation asset only to the extent that those costs can be related directly to operational activities in the area of interest to which the exploration and evaluation asset relates. In all other cases, these costs are expensed as incurred.

Exploration and evaluation assets are transferred to development costs, a component of exploration and evaluation assets, when the technical feasibility and commercial viability of extracting the resource are demonstrable and sanctioned by management.

Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount. Where a potential impairment is indicated, assessment is performed for each area of interest in conjunction with the group of operating assets (representing a Cash Generating Unit) to which the exploration and evaluation is attributable. To the extent that capitalised exploration and evaluation is not expected to be recovered, it is charged to profit or loss.

Accumulated costs in relation to an abandoned area are written off in full against profit in the year in which the decision to abandon the area is made. When production commences, the accumulated costs for the relevant area of interest are depreciated over the life of the area according to the rate of depletion of the economically recoverable reserves.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward cost in relation to that area of interest.

Costs of site restoration are provided over the life of the facility from when exploration commences and are included in the cost of that stage. Site restoration costs include the dismantling and removal of drilling facilities, equipment and building structures, waste removal, and rehabilitation of the site in accordance with clauses of the concession permits. Such costs have been determined using estimates of future costs, current legal requirements and technology on a discounted basis.

Any changes to the estimates for the costs are accounted on a prospective basis. In determining the costs of site restoration, there is uncertainty regarding the nature and extent of the restoration due to community expectations and future legislation. Accordingly, the costs have been determined on the basis that the restoration will be completed within 1 year of abandoning the concession site.

(d) Property, plant and equipment (PP&E)

All items of plant and equipment are initially recorded at cost. Subsequent to recognition, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. The cost of plant and equipment includes its purchase price and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Dismantlement, removal or restoration costs are included as part of the cost of plant and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the plant and equipment.

Depreciation is calculated using the straight-line method to allocate depreciable amounts over their estimated useful lives. The estimated useful lives are as follows:

Useful lives

Leased building	Over the remaining lease term till 2024
Computers	3 years
Office renovation	3 years
Furniture and fittings	3 years
Office equipment	3 years

The carrying values of plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The useful lives, residual values and depreciation method are reviewed at the end of each reporting period, and adjusted prospectively, if appropriate.

An item of plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on de-recognition of the asset is included in profit or loss in the year the asset is derecognised.

Annexure A: Key Accounting Policies Cont.

(e) Impairment of non-financial assets

The Group and the Company assess at the end of each reporting period whether there is an indication that an asset may be impaired. If any indication exists, or when an annual impairment testing for an asset is required, the Group and the Company make an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. The impairment loss is recognised in profit or loss.

A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss.

(f) Income taxes

Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authority. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date.

Current income taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current income tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

(g) Revenue

Revenue is measured based on the consideration to which the Group and the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Revenue is recognised when the Group and the Company satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

Revenue from rendering of services is recognised when the services have been performed and rendered.

Interest income is recognised on a time proportion basis using the effective interest method.

(h) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

(i) Share capital

Ordinary shares issued by the Group and the Company are classified as equity and recorded at the proceeds received, net of direct issue costs.

(j) Share based compensation

The Group operates an equity-settled share-based plan. The fair value of the employee services received in exchange for the grant of shares is recognised as an expense with a corresponding increase in the share capital.

The total amount to be recognised is determined by reference to the fair value of the shares granted on the date of the grant. These shares are vested immediately upon issue.

(k) Fair value Estimation of financial assets and liabilities

The fair values of financial instruments traded in active markets are based on quoted market prices at the reporting date. The quoted market prices used for financial assets are the current bid prices; the appropriate quoted market prices used for financial liabilities are the current asking prices.

The carrying amounts of current financial assets and liabilities carried at amortised cost approximate their fair values.

(l) Leases

As lessee

At the inception of the contract, the Group assesses if the contract contains a lease. A contract contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Reassessment is only required when the terms and conditions of the contract are changed.

The Group recognises right-of-use assets and lease liabilities at the date which the underlying assets become available for use. Right-of-use assets are measured at cost, which comprises the initial measurement of lease liabilities adjusted for any lease payments made at or before the commencement dates, plus any initial direct costs incurred and an estimate of restoration costs, less any lease incentives received. Any initial direct costs that would not have been incurred if the lease had not been obtained are added to the carrying amount of the right-of-use assets.

Right-of-use assets are subsequently depreciated using the straight-line method from the commencement dates to the earlier of the end of the useful lives of the right-of-use assets or the end of the lease terms. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment, over the lease term till 2024. In addition, the right-of-use assets are periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the corresponding lease liabilities. The Group presents its right-of-use assets and lease liabilities in "Plant and equipment" and "Lease liabilities" in the statements of financial position respectively.

The initial measurement of lease liabilities is measured at the present value of the lease payments discounted using the implicit rate in the lease, if the rate can be readily determined. If that rate cannot be readily determined, the Group uses its incremental borrowing rate.

Annexure A: Key Accounting Policies Cont.

Lease payments included in the measurement of the lease liability comprise the following:

- Fixed payments (including in-substance fixed payments), less any lease incentives receivables;
- Variable lease payments that are based on an index or rate, initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable under residual value guarantees;
- The exercise price of a purchase option if it is reasonably certain to exercise the option; and
- Payment of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

For contracts that contain both lease and non-lease components, the Group allocates the consideration to each lease component on the basis of the relative stand-alone price of the lease and non-lease components. The Group has elected not to separate lease and non-lease components for property leases; instead, these are accounted for as one single lease component.

Lease liabilities are measured at amortised cost, and are remeasured when:

- There is a change in future lease payments arising from changes in an index or rate;
- There is a change in the Group's assessment of whether it will exercise lease extension and termination options;
- There is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee; or
- There is a modification to the lease term.

When lease liabilities are remeasured, corresponding adjustments are made against the right-of-use assets. If the carrying amounts of the right-of-use assets have been reduced to zero, the adjustments are recorded in profit or loss. The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have lease terms of 12 months or less, as well as leases of low value assets, except in the case of sub-lease arrangements. Lease payments relating to these leases are expensed to profit or loss on a straight-line basis over the lease term.

Variable lease payments that are based on an index or a rate are included in the measurement of the corresponding right-of-use assets and lease liabilities. Other variable lease payments are recognised in profit or loss when incurred.

Short-term lease and lease of low-value assets

The Group applies the short-term leases recognition exemption to its short-term leases (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered to be low value. Lease payment on short-term leases and leases of low-value assets are recognised as an expense on a straight-line basis over the lease term.

(m) Functional and presentation currency

The individual financial statements of each entity in the Group are presented in the currency of the primary economic environment in which the entity operates (its functional currency).

For the purpose of the consolidated financial statements, the results and financial position of each entity in the Group are expressed in United States Dollar ("US\$"), which is the functional currency of the Company and the presentation currency for the consolidated financial statements.

Transactions and balances

In preparing the financial statements of each individual entity, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions.

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date.

Currency translation differences resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the reporting date are recognised in profit or loss. Monetary items include primarily financial assets (other than equity investments), contract assets and financial liabilities. However, in the consolidated financial statements, currency translation difference arising from borrowings in foreign currencies and other currency instruments designated and qualifying as net investment hedges and net investment in foreign operations, are recognised in the other comprehensive income and accumulated in the exchange translation reserve.

When a foreign operation is disposed of or any loan forming part of the net investment of the foreign operation is repaid, a proportionate share of the accumulated currency translation differences is reclassified to profit or loss, as part of the gain or loss on disposal.

Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in term of historical cost in a foreign currency are not retranslated. Exchange differences on monetary items are recognised in profit or loss in the period in which they arise except for:

- exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;
- exchange differences on transactions entered into in order to hedge certain foreign currency risks; and
- exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on repayment of the net investment.

Translation of Group entities' financial statements

The results and financial position of all the Group entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities are translated at the closing exchange rates at the reporting date;
- income and expenses are translated at average exchange rates (unless the average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transactions dates, in which the case income and expenses are translating using the exchange rates at the dates of the transactions); and
- all resulting currency translation differences are recognised in other comprehensive income and accumulated in the exchange translation reserve.

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in a joint arrangement or an associate that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

In addition, in relation to a partial disposal of a subsidiary that includes a foreign operation that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals (i.e. partial disposals of associates that do not result in the Group losing significant influence), the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

Annexure A: Key Accounting Policies Cont.

(n) Employee benefits

Defined contribution plans

The Group is required to contribute to the Central Provident Fund scheme in Singapore, a defined contribution pension scheme, for employees who are Singapore citizens or Singapore Permanent Residents, if any. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

(o) Financial Instruments

Financial Assets

Classification and Measurement

The Group classifies its financial assets in the following measurement categories:

- Amortised cost;
- Fair value through other comprehensive income (“FVOCI”); and
- Fair value through profit or loss (“FVPL”).

The classification depends on the Group’s business model for managing the financial assets as well as the contractual terms of the cash flows of the financial asset.

Financial assets with embedded derivatives, if any, are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

The Group reclassifies debt instruments when and only when its business model for managing those assets changes.

Initial recognition and measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Subsequent measurement

Debt instruments

Debt instruments mainly comprise of trade and other receivables, contract assets, amount due from subsidiaries and cash and cash equivalents.

There are three subsequent measurement categories, depending on the Group’s business model for managing the asset and the cash flow characteristics of the asset:

- **Amortised cost:** Debt instruments that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt instrument that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in interest income using the effective interest rate method. There are three subsequent measurement categories, depending on the Group’s business model for managing the asset and cash flow characteristics of the asset.
- **FVOCI:** Debt instruments that are held for collection of contractual cash flows and for sale, and where the assets’ cash flows represent solely payments of principal and interest, are classified as FVOCI. Movements in fair values are recognised in Other Comprehensive Income (OCI) and accumulated in fair value reserve, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses, which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and presented in “other income/other expenses”. Interest income from these financial assets is recognised using the effective interest rate method and presented in “interest income”, if any.

- FVPL: Debt instruments that are held for trading as well as those that do not meet the criteria for classification as amortised cost or FVOCI are classified as FVPL. Movement in fair values and interest income is recognised in profit or loss in the period in which it arises and presented in “other income/ other operating expenses”, if any.

Equity instruments

The Group subsequently measures all its equity investments at their fair values. Equity investments are classified as FVPL with movements in their fair values recognised in profit or loss in the period in which the changes arise and presented in “other income/other operating expenses”, except for those equity securities which are not held for trading.

Recognition and Derecognition

Regular way purchases and sales of financial assets are recognised on trade date – the date on which the Group commits to purchase or sell the asset.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

On disposal of a debt instrument, the difference between the carrying amount and the sale proceeds is recognised in profit or loss. Any amount previously recognised in other comprehensive income relating to that asset is reclassified to profit or loss.

On disposal of an equity investment, the difference between the carrying amount and sales proceed is recognised in profit or loss if there was no election made to recognise fair value changes in other comprehensive income.

Impairment of Financial Assets

The Group and the Company recognise an allowance for expected credit losses (“ECLs”) for all debt instruments not held at fair value through profit or loss and financial guarantee contracts. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group and the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is recognised for credit losses expected over the remaining life of the exposure, irrespective of timing of the default (a lifetime ECL).

For trade receivable and contract assets, the Group and the Company apply a simplified approach in calculating ECLs. Therefore, the Group and the Company do not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at the end of each reporting period. The Group and the Company have established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment which could affect debtors’ ability to pay. For other receivables, the Group and the Company apply a general approach to calculate loss allowance based on a 12-month ECL.

The Group and the Company consider a financial asset in default when contractual payments are 60 days past due. However, in certain cases, the Group and the Company may also consider a financial asset to be in default when internal or external information indicates that the Group and the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group and the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Annexure A: Key Accounting Policies Cont.

Financial Liabilities

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument. The Group and the Company determine the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value plus in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

Subsequent measurement

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.



Annexure B: **Independent Limited Assurance Report**

Annexure B: Independent Limited Assurance Report



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8 September 2022

The Directors
Conrad Asia Energy Limited
84 Amoy Street #03-01
Singapore 069903

Dear Directors

Independent Limited Assurance Report

1. Introduction

This report has been prepared at the request of the Directors of Conrad Asia Energy Limited (the "Company" or "Conrad") for inclusion in a prospectus to be issued by the Company ("Prospectus") in respect of the proposed public offering of fully paid ordinary shares in the Company ("Capital Raising" or "the Offer") and the listing of the Company on the Australian Securities Exchange Limited ("ASX").

Expressions defined in the Prospectus have the same meaning in this report.

The report does not address the rights attaching to the shares to be issued in accordance with the Offer, nor the risks associated with accepting the Offer. Moore Australia Corporate Finance (WA) Pty Ltd has not been requested to consider the prospects for Conrad, nor the merits and risks associated with becoming a shareholder and accordingly has not done so, nor purports to do so.

Consequently, Moore Australia Corporate Finance (WA) Pty Ltd has not made and will not make any recommendation, through the issue of this report, to potential investors of the Company, as to the merits of the Offer and takes no responsibility for any matter or omission in the Prospectus other than responsibility for this report.

2. Scope of Report

The Directors of the Company have requested Moore Australia Corporate Finance (WA) Pty Ltd prepare an Independent Limited Assurance Report on:

Historical Financial Information

The Directors have requested that Moore Australia Corporate Finance (WA) Pty Ltd review:

- The Historical Consolidated Statements of Profit or Loss and Other Comprehensive Income of Conrad for the years ended 31 December 2019, 2020 and 2021;
- The Historical Consolidated Statements of Cash flows of Conrad for the years ended 31 December 2019, 2020 and 2021; and
- The Historical Consolidated Statement of Financial Position of Conrad as at 31 December 2021.

which is collectively termed the "Historical Financial Information".

The Historical Financial Information is presented in an abbreviated form insofar as it does not include all of the disclosures required by International Financial Reporting Standards applicable to financial reports in accordance with the *Corporations Act 2001*.

The Historical Financial Information has been extracted from the audited general purpose financial statements of the Company for the years ended 31 December 2019, 2020, and 2021.



The financial reports of Conrad for the years ended 31 December 2019, 2020 and 2021 were audited by Moore Stephens LLP. Moore Stephens LLP issued unmodified audit opinions for each of the years specified. For each of the years and periods noted above Moore Stephens LLP raised an emphasis of matter in respect of material uncertainty related to going concern.

The Historical Consolidated Statement of Profit or Loss and Other Comprehensive Income of Conrad for the years ended 31 December 2019, 2020 and 2021 are included at section 4.3.1 of the Prospectus and are presented without adjustment.

The Historical Consolidated Statement of Cash flows of Conrad for years ended 31 December 2019, 2020 and 2021 are included at section 4.3.2 of the Prospectus and are presented without adjustment.

The Historical Consolidated Statements of Financial Position as at 31 December 2021 of the Company is included in section 4.3.3 of the Prospectus and is presented without adjustment.

Pro Forma Historical Financial Information

The Directors have requested that Moore Australia Corporate Finance (WA) Pty Ltd review:

- The Pro Forma Historical Consolidated Statement of Financial Position of Conrad as at 31 December 2021, included at section 4.3.4 of the Prospectus, adjusted to include funds to be raised pursuant to the Prospectus and the completion of certain other transactions as disclosed in section 4.3.5 of the Prospectus, as if those events and transactions occurred as at 31 December 2021.

which is collectively termed the “Pro Forma Historical Financial Information”.

The Pro Forma Historical Consolidated Statement of Financial Position is derived from the Historical Statement of Financial Position of the Company as at 31 December 2021, adjusted on the basis of the completion of the proposed Capital Raising and the completion of certain other transactions as disclosed in section 4.3.5, as if those events and transactions occurred as at 31 December 2021. The Pro Forma Statement of Financial Position is provided for illustrative purposes only and is not represented as being necessarily indicative of Conrad's future financial position.

3. Scope of Review

Directors' Responsibilities

The Directors of Conrad are responsible for the preparation and presentation of the Historical and Pro Forma Historical financial information, including the determination of the pro forma transactions. The Directors are also responsible for the information contained within the Prospectus.

This responsibility includes for the operation of such internal controls as the Directors determine are necessary to enable the preparation of the Financial Information presented in the Prospectus that is free from material misstatement whether due to fraud or error.

Our Responsibilities

We have conducted our engagement in accordance with Australian Auditing Standard ASRE 2405 *Review of Historical Financial Information Other than a Financial Report*. We have also considered and complied with the requirements of ASAE 3420 *Assurance Engagements to Report on the Compilation of Pro Forma Historical Financial Information included in a Prospectus or other Document* and ASAE 3450 *Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information*.

For the purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any Historical Financial Information used to compile the Pro forma Historical Financial Information, nor have we, in the course of this engagement, performed an audit of the financial information used in compiling the Pro Forma Historical Financial Information, or the Pro Forma Historical Financial Information itself.

The purpose of the compilation of the Pro Forma Historical Financial Information is solely to illustrate the impact of the proposed Capital Raising, related transactions and accounting policies on unadjusted financial information of the Company as if the event or application of accounting policies had occurred

Annexure B: Independent Limited Assurance Report Cont.



at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the proposed Capital Raising, related transactions and accounting policies would be as presented.

We made such inquiries and performed such procedures as we, in our professional judgement, considered reasonable in the circumstances including:

- a review of contractual arrangements;
- a review of financial statements, management accounts, work papers, accounting records and other documents, to the extent considered necessary;
- analytical procedures, to the extent considered necessary;
- a review of the audited financial statements of Conrad and its controlled entities, including a review of the auditor's work papers and making enquiries of the auditor, to the extent considered necessary;
- a comparison of consistency in application of the recognition and measurement principles in Accounting Standards and other mandatory professional reporting requirements in Australia, with the accounting policies adopted by the Company;
- a review of the assumptions and pro forma adjustments used to compile the Pro Forma Historical Financial Information; and
- enquiry of Directors, management and advisors of Conrad.

These procedures do not provide all the evidence that would be required in an audit, thus the level of assurance provided is less than that given in an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

These procedures have been undertaken to form a limited assurance conclusion as to whether we have become aware of any matters that indicate the Historical and Pro Forma Historical Financial Information, set out in section 4 of the Prospectus, does not present fairly, in all material respects, in accordance with International Financial Reporting Standards and the accounting policies adopted by the Company. This view is consistent with our understanding of the financial position of the Company as at 31 December 2021, the pro forma financial position as at 31 December 2021, and of its financial results and cash flows for the years ended 31 December 2019, 2020 and 2021.

4. Valuation of Interests in Exploration and Evaluation Assets

The principal assets of Conrad, post ASX listing, in addition to cash and cash equivalents, will be its interests in exploration and evaluation assets. The interests in exploration and evaluation assets have been included at cost of US\$24,421,450 in the reviewed historical Statement of Financial Position and pro forma Statement of Financial Position as at 31 December 2021, which is in accordance with the accounting policy adopted for such assets by the Company. We have not performed our own valuations of the exploration and evaluation assets and do not express a view on whether the carrying values of the exploration and evaluation assets reflect market values. The value of the exploration and evaluation assets may rise or fall depending on future exploration results and world commodity prices.

5. Conclusions

Based on our review, which is not an audit:

- Nothing has come to our attention which causes us to believe that the Historical Consolidated Statements of Profit or Loss and other comprehensive income of Conrad for the years ended 31 December 2019, 2020 and 2021, as set out in section 4.3.1 of the Prospectus, do not present fairly the results of the Company for the years then ended in accordance with the accounting methodologies required by International Financial Reporting Standards and adopted by the Company.
- Nothing has come to our attention which causes us to believe that the Historical Consolidated Statements of Cash Flows of Conrad for the years ended 31 December 2019, 2020 and 2021, as



set out in section 4.3.2 of the Prospectus, do not present fairly the cash flows of the Company for the years then ended in accordance with the accounting methodologies required by International Financial Reporting Standards and adopted by the Company.

- Nothing has come to our attention which causes us to believe that the Historical Statement of Financial Position of the Company, as set out in section 4.3.3 of the Prospectus, does not present fairly the assets and liabilities of the Company as at 31 December 2021 in accordance with the accounting methodologies required by International Financial Reporting Standards and adopted by the Company.
- Nothing has come to our attention which causes us to believe that the Pro Forma Historical Statement of Financial Position of the Company, as set out in section 4.3.4 of the Prospectus, does not present fairly the assets and liabilities of the Company, as at 31 December 2021 in accordance with the accounting methodologies required by International Financial Reporting Standards and adopted by the Company, and on the basis of assumptions and transactions set out in section 4.3.5 of the Prospectus.

Emphasis of Matter – Uncertainty relating to going concern

In forming our conclusions on the financial information, which is not modified, we have considered the adequacy of the disclosure as set out in Note 1 of Annexure A of the Prospectus, concerning the Company's ability to continue as a going concern. As disclosed in Note 1 of Annexure A, the Company is dependent on various funding initiatives in order to fund working capital and discharge its liabilities in the ordinary course of business. The financial information does not include any adjustments that may be required if the Company was unable to continue as a going concern. In our opinion, based on the Company's proposed use of funds and business plans as set out in the Prospectus, completion of the proposed Capital Raising pursuant to the Prospectus is expected to be sufficient to enable the Company to continue operating as a going concern.

6. Subsequent Events

To the best of our knowledge and belief, there have been no other material items, transactions or events subsequent to 31 December 2021 not otherwise disclosed in this report or the Prospectus that have come to our attention during the course of our review which would cause the information included in this report to be misleading.

7. Other Matters

Moore Australia Corporate Finance (WA) Pty Ltd does not have any pecuniary interest that could reasonably be regarded as being capable of affecting our ability to give an unbiased opinion.

Conrad is audited by Moore Stephens LLP, an independent firm affiliated with the Moore Global network.

Moore Australia Corporate Finance (WA) Pty Ltd will receive a professional fee for the preparation of this Independent Limited Assurance Report.

Moore Australia Corporate Finance (WA) Pty Ltd was not involved in the preparation of any other part of the Prospectus and accordingly makes no representations or warranties as to the completeness and accuracy of any information contained in any other part of the Prospectus.

Moore Australia Corporate Finance (WA) Pty Ltd consents to the inclusion of this report in the Prospectus in the form and context in which it is included and at the date of this report has not withdrawn this consent.

Yours faithfully

Neil Pace
Director
Moore Australia Corporate Finance (WA) Pty Ltd

Annexure B: Independent Limited Assurance Report Cont.



MOORE AUSTRALIA CORPORATE FINANCE (WA) PTY LTD

Australian Financial Services Licence No. 240773

FINANCIAL SERVICES GUIDE

This Financial Services Guide is issued in relation to our Independent Limited Assurance Report for Conrad Petroleum Ltd ("Conrad"). Our report has been prepared at the request of the Directors of Conrad for inclusion in the Prospectus to be dated on or about 8 September 2022 in respect of the initial public offering of fully paid ordinary shares in Conrad and listing of Conrad on the Australian Securities Exchange Limited.

Moore Australia Corporate Finance (WA) Pty Ltd

Moore Australia Corporate Finance (WA) Pty Ltd ("MACF") has been engaged by the directors of Conrad to prepare an Independent Limited Assurance Report in respect of the initial public offering of fully paid ordinary shares in Conrad and listing of Conrad on the Australian Securities Exchange Limited.

MACF holds an Australian Financial Services Licence – Licence No 240773.

Financial Services Guide

As a result of our report being provided to you we are required to issue to you, as a retail client, a Financial Services Guide ("FSG"). The FSG includes information on the use of general financial product advice and is issued so as to comply with our obligations as holder of an Australian Financial Services Licence.

Financial Services we are licensed to provide

MACF holds an Australian Financial Services Licence which authorises us to provide reports for the purposes of acting for and on behalf of clients in relation to proposed or actual mergers, acquisitions, takeovers, corporate restructures or share issues, and to carry on a financial services business to provide general financial product advice for securities to retail and wholesale clients.

We provide financial product advice by virtue of an engagement to issue a report in connection with the issue of securities of a company or other entities.

Our report includes a description of the circumstances of our engagement and identifies the party who has engaged us. You have not engaged us directly but will be provided with a copy of our report as a retail client because of your connection with the matters on which our report has been issued. We do not accept instructions from retail clients and do not receive remuneration from retail clients for financial services.

Our report is provided on our own behalf as an Australian Financial Services Licensee authorised to provide the financial product advice contained in this report.

General Financial Product Advice

Our report provides general financial product advice only, and does not provide personal financial product advice, because it has been prepared without taking into account your particular personal circumstances or objectives either financial or otherwise, your financial position or your needs.

Some individuals may place a different emphasis on various aspects of potential investments.

An individual's decision in relation to the proposed transaction may be influenced by their particular circumstances and, therefore, individuals should seek independent advice.

Benefits that we may receive

We will charge fees for providing our report. The basis on which our fees will be determined has been agreed with, and will be paid by, the person who engaged us to provide the report. Our fees have been agreed on either a fixed fee or time cost basis. We estimate that our fees for the preparation of this report will be approximately AU\$120,000 plus GST.

Remuneration or other benefits received by our employees

All our employees receive a salary. Employees may be eligible for bonuses based on overall productivity and contribution to the operation of MACF or related entities but any bonuses are not directly in connection with any assignment and in particular are not directly related to the engagement for which our report was provided.

Referrals

We do not pay commissions or provide any other benefits to any parties or person for referring customers to us in connection with the reports that we are licensed to provide.

Associations and relationships

MACF is the licensed corporate advisory arm of Moore Australia (WA) Pty Ltd, Chartered Accountants. The directors of MACF may also be partners in Moore Australia (WA) Pty Ltd Chartered, Accountants.

Moore Australia (WA) Pty Ltd, Chartered Accountants is comprised of a number of related entities that provide audit, accounting, tax, and financial advisory services to a wide range of clients.

MACF's contact details are set out on our letterhead.

Complaints resolution

As the holder of an Australian Financial Services Licence, we are required to have a system for handling complaints from persons to whom we provide financial product advice. All complaints must be in writing, addressed to The Complaints Officer, Moore Australia (WA) Pty Ltd, PO Box 5785, St George's Terrace, Perth WA 6831.

On receipt of a written complaint we will record the complaint, acknowledge receipt of the complaint and seek to resolve the complaint as soon as practical.

If we cannot reach a satisfactory resolution, you can raise your concerns with Australian Financial Complaints Authority Limited ("AFCA"). AFCA is an independent body established to provide advice and assistance in helping resolve complaints relating to the financial services industry. MACF is a member of AFCA. AFCA may be contacted directly via the details set out below.

Australian Financial Complaints Authority Limited
GPO Box 3
Melbourne VIC 3001
Toll free: 1800 931 678
Email: info@afca.org.au



Annexure C: **Foreign Selling Restrictions**

Annexure C: Foreign Selling Restrictions

This Prospectus does not constitute an offer or invitation to apply for CDIs in any jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or invitation or issue under this Prospectus. In particular, this Prospectus may not be distributed to any person, and the CDIs may not be offered or sold, in any country outside Australia except to the extent permitted below.

Bermuda

No offer or invitation to subscribe for CDIs may be made to the public in Bermuda or in any manner that would constitute engaging in business in or from within Bermuda. In addition, no invitation is being made to persons resident in Bermuda for exchange control purposes to subscribe for CDIs.

Canada (British Columbia, Ontario and Quebec provinces)

This Prospectus constitutes an offering of CDIs only in the Provinces of British Columbia, Ontario and Quebec (the "Provinces"), only to persons to whom CDIs may be lawfully distributed in the Provinces, and only by persons permitted to sell such securities. This Prospectus is not a prospectus, an advertisement or a public offering of securities in the Provinces. This Prospectus may only be distributed in the Provinces to persons who are "accredited investors" within the meaning of National Instrument 45-106 – *Prospectus Exemptions*, of the Canadian Securities Administrators.

No securities commission or authority in the Provinces has reviewed or in any way passed upon this Prospectus, the merits of the CDIs or the offering of the CDIs and any representation to the contrary is an offence.

No prospectus has been, or will be, filed in the Provinces with respect to the offering of CDIs or the resale of such securities. Any person in the Provinces lawfully participating in the offer will not receive the information, legal rights or protections that would be afforded had a prospectus been filed and receipted by the securities regulator in the applicable Province. Furthermore, any resale of the CDIs in the Provinces must be made in accordance with applicable Canadian securities laws. While such resale restrictions generally do not apply to a first trade in a security of a foreign, non-Canadian reporting issuer that is made through an exchange or market outside Canada, Canadian purchasers should seek legal advice prior to any resale of the CDIs.

The Company as well as its directors and officers may be located outside Canada and, as a result, it may not be possible for purchasers to effect service of process within Canada upon the Company or its directors or officers. All or a substantial portion of the assets of the Company and such persons may be located outside Canada and, as a result, it may not be possible to satisfy a judgment against the Company or such persons in Canada or to enforce a judgment obtained in Canadian courts against the Company or such persons outside Canada.

Any financial information contained in this Prospectus has been prepared in accordance with International Financial Reporting Standards and interpretations issued by the International Accounting Standards Board. Unless stated otherwise, all dollar amounts contained in this Prospectus are in US dollars.

Statutory rights of action for damages and rescission. Securities legislation in certain Provinces may provide a purchaser with remedies for rescission or damages if an offering memorandum contains a misrepresentation, provided the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's Province. A purchaser may refer to any applicable provision of the securities legislation of the purchaser's Province for particulars of these rights or consult with a legal adviser.

Certain Canadian income tax considerations. Prospective purchasers of the CDIs should consult their own tax adviser with respect to any taxes payable in connection with the acquisition, holding or disposition of the CDIs as there are Canadian tax implications for investors in the Provinces.

Language of documents in Canada. Upon receipt of this Prospectus, each investor in Canada hereby confirms that it has expressly requested that all documents evidencing or relating in any way to the sale of the CDIs (including for greater certainty any purchase confirmation or any notice) be drawn up in the English language only. *Par la réception de ce document, chaque investisseur canadien confirme par les présentes qu'il a expressément exigé que tous les documents faisant foi ou se rapportant de quelque manière que ce soit à la vente des valeurs mobilières décrites aux présentes (incluant, pour plus de certitude, toute confirmation d'achat ou tout avis) soient rédigés en anglais seulement.*

Cayman Islands

No offer or invitation to subscribe for CDIs may be made to the public in the Cayman Islands or from within the Cayman Islands.

European Union

This Prospectus has not been, and will not be, registered with or approved by any securities regulator in the European Union. Accordingly, this Prospectus may not be made available, nor may the CDIs be offered for sale, in the European Union except in circumstances that do not require a prospectus under Article 1(4) of Regulation (EU) 2017/1129 of the European Parliament and the Council of the European Union (the "Prospectus Regulation").

In accordance with Article 1(4)(a) of the Prospectus Regulation, an offer of CDIs in the European Union is limited to persons who are "qualified investors" (as defined in Article 2(e) of the Prospectus Regulation).

Hong Kong

WARNING: This Prospectus has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong, nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (the "SFO"). Accordingly, this Prospectus may not be distributed, and the CDIs may not be offered or sold, in Hong Kong other than to "professional investors" (as defined in the SFO and any rules made under that ordinance).

No advertisement, invitation or document relating to the CDIs has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to CDIs that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors. No person allotted CDIs may sell, or offer to sell, such securities in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such securities.

The contents of this Prospectus have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any contents of this Prospectus, you should obtain independent professional advice.

Indonesia

A registration statement with respect to the CDIs has not been, and will not be, filed with Otoritas Jasa Keuangan in the Republic of Indonesia. Therefore, the CDIs may not be offered or sold to the public in Indonesia. Neither this Prospectus nor any other document relating to the offer or sale, or invitation for subscription or purchase, of the CDIs may be circulated or distributed, whether directly or indirectly, in the Republic of Indonesia or to Indonesian citizens, corporations or residents, except in a manner that will not be considered as a "public offer" under the law and regulations of the Republic of Indonesia.

Annexure C: Foreign Selling Restrictions Cont.

New Zealand

This Prospectus has not been registered, filed with or approved by any New Zealand regulatory authority under the *Financial Markets Conduct Act 2013* (the “FMC Act”).

The CDIs are not being offered or sold in New Zealand (or allotted with a view to being offered for sale in New Zealand) other than to a person who:

- is an investment business within the meaning of clause 37 of Schedule 1 of the FMC Act;
- meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act;
- is large within the meaning of clause 39 of Schedule 1 of the FMC Act;
- is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act; or
- is an eligible investor within the meaning of clause 41 of Schedule 1 of the FMC Act.

Norway

This Prospectus has not been approved by, or registered with, any Norwegian securities regulator under the Norwegian Securities Trading Act of 29 June 2007 no. 75. Accordingly, this Prospectus shall not be deemed to constitute an offer to the public in Norway within the meaning of the Norwegian Securities Trading Act. The CDIs may not be offered or sold, directly or indirectly, in Norway except to “professional clients” (as defined in the Norwegian Securities Trading Act).

Singapore

This Prospectus and any other materials relating to the CDIs have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this Prospectus and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of CDIs, may not be issued, circulated or distributed, nor may the CDIs be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part 13 of the Securities and Futures Act 2001 of Singapore (the “SFA”) or another exemption under the SFA.

This Prospectus has been given to you on the basis that you are an “institutional investor” or an “accredited investor” (as such terms are defined in the SFA). If you are not such an investor, please return this document immediately. You may not forward or circulate this document to any other person in Singapore.

Any offer is not made to you with a view to the CDIs being subsequently offered for sale to any other party in Singapore. On-sale restrictions in Singapore that may be applicable to investors who acquire CDIs. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

Switzerland

The CDIs may not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange or on any other stock exchange or regulated trading facility in Switzerland. Neither this Prospectus nor any other offering or marketing material relating to the CDIs constitutes a prospectus or a similar notice, as such terms are understood under art. 35 of the Swiss Financial Services Act or the listing rules of any stock exchange or regulated trading facility in Switzerland.

No offering or marketing material relating to the CDIs has been, nor will be, filed with or approved by any Swiss regulatory authority or authorised review body. In particular, this Prospectus will not be filed with, and the offer of CDIs will not be supervised by, the Swiss Financial Market Supervisory Authority (FINMA).

Neither this Prospectus nor any other offering or marketing material relating to the CDIs may be publicly distributed or otherwise made publicly available in Switzerland. The CDIs will only be offered to investors who qualify as “professional clients” (as defined in the Swiss Financial Services Act). This Prospectus is personal to the recipient and not for general circulation in Switzerland.

United Kingdom

Neither this Prospectus nor any other document relating to the offer has been delivered for approval to the Financial Conduct Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the Financial Services and Markets Act 2000, as amended ("FSMA")) has been published or is intended to be published in respect of the CDIs.

The CDIs may not be offered or sold in the United Kingdom by means of this Prospectus or any other document, except in circumstances that do not require the publication of a prospectus under section 86(1) of the FSMA. This Prospectus is issued on a confidential basis in the United Kingdom to "qualified investors" within the meaning of Article 2(e) of the UK Prospectus Regulation. This Prospectus may not be distributed or reproduced, in whole or in part, nor may its contents be disclosed by recipients, to any other person in the United Kingdom.

Any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received in connection with the issue or sale of the CDIs has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) of the FSMA does not apply to the Company.

In the United Kingdom, this Prospectus is being distributed only to, and is directed at, persons (i) who have professional experience in matters relating to investments falling within Article 19(5) (investment professionals) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 ("FPO"), (ii) who fall within the categories of persons referred to in Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the FPO or (iii) to whom it may otherwise be lawfully communicated (together "relevant persons"). The investment to which this Prospectus relates is available only to relevant persons. Any person who is not a relevant person should not act or rely on this Prospectus.

United States

This Prospectus does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States. The CDIs have not been, and will not be, registered under the US Securities Act of 1933 or the securities laws of any state or other jurisdiction of the United States. Accordingly, the CDIs may not be offered or sold in the United States except in transactions exempt from, or not subject to, the registration requirements of the US Securities Act and applicable US state securities laws.

This Prospectus may be distributed in the United States only to Institutional Investors by a registered US broker-dealer of the Joint Lead Managers and only if it is accompanied by the US Offering Circular.



Annexure D: **Competent Person's** **Report for the Duyung** **PSC, Indonesia**

Annexure D: Competent Person's Report for the Duyung PSC, Indonesia

Gaffney
Cline

Competent Person's Report for the Duyung PSC, Indonesia- Abridged Version

Prepared for
Conrad Asia Energy Ltd.

26 August 2022

Annexure D: Competent Person's Report for the Duyung PSC, Indonesia Cont.

Gaffney
Cline

SPECIAL NOTICE

You ("Recipient") acknowledge and agree to be bound by, the following:

(1) This Report was prepared for Conrad Asia Energy Ltd. ("Client") by Gaffney, Cline & Associates ("GCA") and is based on information not within the control of GCA. In preparing this report, GCA has assumed that the information, both verbal and written, provided by others is complete and correct. GCA does not guarantee the accuracy of the information, data or opinions contained in this report and does not represent or warrant that the information contained in this report is sufficient or appropriate for any purpose.

(2) To the maximum extent permitted by law, this report should not be construed as an invitation or inducement to any Recipient or other party to engage or otherwise participate in the proposed or any other transaction, to provide any financing, or to make any investment. While the report analyses certain matters relating to the transaction, whether or not the transaction is a success depends as well on other factors which go beyond its scope. Recipient acknowledges and agrees that it is unreasonable for GCA to offer assurances that any facts, observations, analysis, opinions, or other matters contained in the Report will be more reliable or accurate than the underlying data supplied by others and beyond its control, either at the time the Report is issued or at any other time.

(3) Recipient is not entitled to make any copies of any portion of this Report, use extracts therefrom or transmit any part thereof to any other party in any form, including without limitation electronic or printed media of any kind.

(4) TO THE FULLEST EXTENT PERMITTED BY LAW, GCA'S TOTAL LIABILITY, ON A CUMULATIVE AND AGGREGATE BASIS, TO CLIENT AND ALL RECIPIENTS AND OTHER PARTIES, RESULTING FROM GCA'S ACTIONS IN RELATION TO THE CREATION AND DISSEMINATION OF THIS REPORT, WILL BE LIMITED TO THE LESSER OF THE AMOUNT (i) SPECIFIED IN THE ENGAGEMENT LETTER BETWEEN GCA AND CLIENT ("EL") AND (ii) THE AMOUNT OF COMPENSATION (EXCLUSIVE OF THE REIMBURSEMENT OF COSTS AND EXPENSES) RECEIVED BY GCA FROM CLIENT FOR THE CREATION OF THIS REPORT UNDER THE EL. Recipient hereby waives any right to seek or collect damages in excess thereof and releases GCA from any and all damages or losses which, if required to be paid to Recipient, would result in GCA paying total damages to any and all parties, including Client and all Recipients, in an amount that would exceed the limit set forth in the previous sentence.

The exclusive venue for any claim, cause of action, legal proceeding, or lawsuit relating to this Report shall be the United States District Court for the Southern District of Texas and any Texas State district courts sitting in Houston, Texas. ALL RIGHT TO TRIAL BY JURY WITH RESPECT TO ANY CLAIM OR PROCEEDING RELATED TO OR ARISING OUT OF THE REPORT, IS HEREBY WAIVED BY EACH PARTY HERETO. Recipient and any other party irrevocably waive each argument, objection, defense, assertion, or claim that venue is improper for any reason in United States District Court for the Southern District of Texas and any Texas State district courts sitting in Houston, Texas for any claim, cause of action, legal proceeding, or lawsuit brought in said courts or that such claims have been brought in an inconvenient forum.

The above terms and conditions are governed by and shall be governed by and construed in accordance with the laws of the State of Texas, without giving effect to the conflicts of laws principles thereof.



Gaffney, Cline & Associates
(Consultants) Pte. Ltd.
150 Beach Road
#20-01/02 Gateway West
Singapore 189720

Tel: +65 6225 6951

UEN: 198701453N

26 August 2022

The Directors
Conrad Asia Energy Ltd.
192 Waterloo Street
#05-01 Skyline Building
Singapore 187966

miltos@conradasia.com

Dear Miltos,

**Competent Person's Report for the Mako Field, Duyung PSC, Indonesia
(Abridged Version)**

Introduction

At the request of Conrad Asia Energy Ltd. (Conrad), Gaffney, Cline & Associates (Consultants) Pte Ltd (GaffneyCline) has prepared this Competent Persons Report (CPR) on the Mako Field development located in the Duyung Production Sharing Contract (PSC), offshore Indonesia (see **Figure 1** and **Table 1**). This CPR is prepared for the purpose of inclusion in Conrad's prospectus and in accordance with the requirements of the Australian Securities Exchange (ASX) as outlined in the ASX Listing Rules Chapter 5 "Additional reporting on mining and oil and gas production and exploration activities" and Guidance Note 32 "Reporting on Oil and Gas Activities". This document is an abridged version of the full CPR, removing confidential subsurface technical background discussion.

GaffneyCline has consented to the inclusion of this document in Conrad's prospectus in connection with Conrad's initial public offering and proposed listing on the Australian Securities Exchange, and has not withdrawn its consent on the date of the prospectus. In the preparation of this CPR, GaffneyCline has used the definitions of Reserves, Contingent Resources and Prospective Resources contained within the Petroleum Resources Management System (PRMS), which was approved by the Society of Petroleum Engineers, the World Petroleum Council, the American Association of Petroleum Geologists, the Society of Petroleum Evaluation Engineers, the Society of Exploration Geophysicists, the Society of Petrophysicists and Well Log Analysts, and the European Association of Geoscientists and Engineers in June 2018 (see **Appendix I**).

Annexure D: Competent Person’s Report for the Duyung PSC, Indonesia Cont.

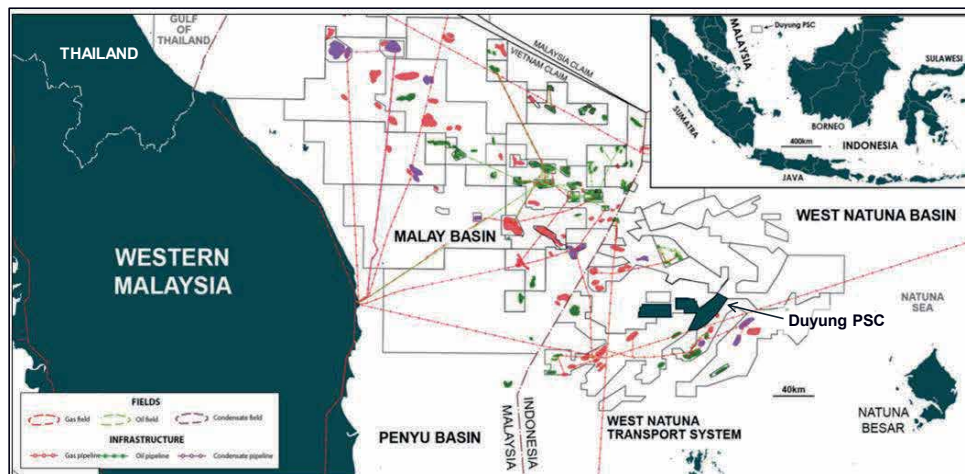


Table 1: Conrad’s Duyung PSC, Indonesia as of 1 July 2022

Asset	Operator	Interest	Status	Licence Expiry Date	Licence Area (km ²)	Comment
Duyung PSC	WNEL	76.5%	Development	16 January 2037	926.94	Final Investment Decision end 2022 for first gas end 2024

Note: Conrad’s 76.5% working interest share is held and operated by their wholly owned subsidiary West Natuna Exploration Ltd. (WNEL)

Figure 1: Location Map of the Duyung PSC



Source: WNEL

West Natuna Exploration Ltd. (WNEL, owned 100% by Conrad) holds a 76.5% operated Working Interest (WI) in the Duyung PSC. Coro Energy Plc. (Coro) holds 15% with the remaining 8.5% held by Empyrean Energy Plc. (Empyrean). The PSC was awarded in January 2007. Six wells have been drilled on the block which include the Tambak-1 and Tambak-2 wells. Both the Tambak-1 and Mako South-1 wells have been tested and demonstrate potentially commercial volumes of shallow, dry, biogenic gas.

GaffneyCline has prepared two prior independent reports on the Duyung PSC, one in 2018 and an update in 2019.

This report relates specifically and solely to the subject matter as defined in the scope of work (SOW), as set out herein, and is conditional upon the specified assumptions. The report must be considered in its entirety and must only be used for the purpose for which it is intended.



Summary

GaffneyCline has conducted a review of the resources, development plan, and economics of the Mako gas field, located in the Duyung PSC in the Natuna Sea, Indonesia.

The Mako Field is a SW-NE trending four-way dip closed anticline; the trap is well defined seismically by a strong seismic amplitude anomaly. The reservoir is formed of the Intra Muda Sands of the Late Miocene – Early Pliocene Muda Formation.

Six wells have been drilled on the structure, of which three (Tenggiri-1, Cakalang, and Mako-1) were drilled prior to Conrad's acquisition of the Duyung PSC. The Tenggiri-1 (1975) and Cakalang (1996) wells did not evaluate the Intra-Muda Sands as their primary target was the underlying Lower Gubus Formation however, Tenggiri-1 intersected good reservoir with strong gas shows and Cakalang-1 intersected thin gas sands. In 1999, the Mako-1 well was drilled to evaluate the Intra-Muda Sands in the Mako Channel, a large incised valley. High net-to-gross (NTG) sands with high gas readings were intersected; however, a bridging issue resulted in the abandonment of the well prior to formation evaluation.

In 2017, the Mako South-1 well was drilled by WNEL which encountered good quality gas reservoirs in the primary Intra Muda target. An open hole DST was performed which flowed at rates of 9.3 MMscfd and 10.8 MMscfd at 72/64" and 128/64" choke settings respectively. No water or condensate was produced during the test.

In 2019, WNEL drilled the Tambak-1 and Tambak-2 wells to further appraise the Mako Field. Both wells also encountered good quality gas reservoirs in the primary Intra Muda target. The Tabmak-1 well was successfully tested by DST flowing gas at an average rate of 9.0 MMscfd and confirmed a Gas Water Contact (GWC) at 393.7 m TVDss. A DST was also attempted on both Tambak-2 and its side-track (Tambak-2ST) but both failed to flow due to severe formation damage.

GaffneyCline has reviewed data and interpretations provided by Conrad and has carried out its own depth conversion and petrophysical analysis in order to audit the work carried out by WNEL and to provide an independent estimate of the in-place and recoverable volumes for the Mako Field, using both probabilistic and deterministic methods.

GaffneyCline has estimated the Gas Initially in Place (GIIP) volumes for the Mako Field using a 1D Monte Carlo model. GaffneyCline's estimates of GIIP are within 2% of Conrad's (in the Best Case) and are given in **Table 2**.

Table 2: GaffneyCline's Estimates of GIIP for the Mako Field

Reservoir	Low (Bscf)	Best (Bscf)	High (Bscf)
Intra Muda Sand 1	292.8	447.2	692.4
Zone between Sand 1&2	11.3	33.8	70.6
Intra Muda Sand 2	36.2	67.4	108.3
TOTAL	340.3	548.4	871.3

Below the GWC, gas shows down to approximately -415 m TVDss are seen with residual gas in wireline and mud logs of 10-25%. This corresponds with a flat spot seen in the seismic data. This has been interpreted as a palaeo-GWC with a residual gas zone. GaffneyCline's estimates of GIIP for the palaeo gas zone are given in **Table 3**.

Annexure D: Competent Person's Report for the Duyung PSC, Indonesia Cont.



Table 3: GaffneyCline's Estimates of GIIP for the Palaeo Gas Zone of the Mako Field

Closure	Low (Bscf)	Best (Bscf)	High (Bscf)
Palaeo Gas Zone	21.1	42.2	84.3

GaffneyCline has also reviewed the reservoir engineering data, interpretations and models provided by Conrad. Based on results and conclusions from this review, GaffneyCline has independently estimated a range of recovery factors for both the Intra Muda sands as well as the palaeo gas zone. These recovery factors were applied to GaffneyCline's estimates of GIIP to estimate the Contingent Resources for the Mako Field, which are given in **Table 4**. GaffneyCline's estimates are within 12% of WNEL's 1C estimate and 1% of WNEL's 2C estimate. GaffneyCline's 3C estimate is 23% higher than WNEL's.

WNEL propose a revised, two-phase, development plan based on six initial development wells tied back to a leased production platform at the field, with sales gas transported via the West Natuna Transport System (WNNTS) pipeline to Singapore for sale to the Singapore market. Two further development wells are planned 5 years after first gas. The development plan proposes a plateau production of 120 MMscfd for 3 (Low case), or 6 (Best and High cases) years. This Revised Plan of Development (PoD) is subject to approval by the Indonesian regulatory authority SKK Migas.

Table 4: GaffneyCline's Estimate of Gas Contingent Resources for the Mako Field, Duyung PSC, Indonesia as of 1 July 2022

	Gross (Bscf)			Net Attributable to WNEL (Operator) (Bscf)		
	1C	2C	3C	1C	2C	3C
Up to PSC expiry or ELT, whichever is the earlier	249	413	442	130	215	230
Beyond PSC expiry or ELT, whichever is the earlier	-	24	336	-	13	168
TOTAL Gas	249	437	779	130	227	398

Notes:

- Gross field Contingent Resources are 100% of the volumes estimated to be recoverable from the Mako Field in the event that it is developed according to the Revised Plan of Development.
- Net Contingent Resources in this table represent WNEL's actual net entitlement, within the PSC boundaries (assuming 88% of GIIP within Duyung PSC) and under the terms of the PSC that governs the asset.
- The volumes reported here are "unrisked" in the sense that no adjustment has been made for the risk that the asset may not be developed in the form envisaged or may not go ahead at all.
- The Operator of the Duyung PSC is WNEL, a 100%-owned subsidiary of Conrad Asia Energy Ltd.
- Last economic production year prior to the PSC expiry date for 1C, 2C and 3C is 2033, 2036 and 2036, respectively. Without considering the PSC expiry date, 2C and 3C can be produced commercially up to 2039 and 2054 respectively.
- Totals may not exactly equal the sum of the individual entries because of rounding.

The Revised PoD includes the provision to ramp up the production plateau to 150 mmscfd, if reservoir deliverability is sufficient. GaffneyCline has also evaluated this 150 mmscfd case, with summary results provided in **Appendix IV**.



The Contingent Resources attributed to a potential development project of the Mako Field have a sub-class maturity of *Development Pending*, where project activities are ongoing to justify commercial development in the foreseeable future. The key contingencies preventing these Contingent Resources from being assessed as Reserves are: final regulatory approval of the Revised Plan of Development (PoD), commitment to the key terms of Gas Sales Agreement(s) (GSA), agreement of the key terms of a gas transport agreement through the WNTS to the point of sale, provision of financing, and a Final Investment Decision (FID) by Conrad.

As at the effective date of this report, Conrad are in active engagement with the regulator to finalize approval of the Revised PoD and GSA(s). As the WNTS gas transport agreement depends on the PoD and GSA(s), it will be progressed following finalization of these. Progress on financing and the steps by Conrad towards FID are outwith the scope of this (technical) report.

The un-risked, post-tax, NPV₁₀ of a 76.5% WI in the Mako Field development attributable to WNEL and based on the volumes within the PSC boundaries, is shown in **Table 5**.

Table 5: Post-Tax NPV₁₀ (US\$ MM) of the Proposed Mako Gas Field Development Attributable to WNEL as of 1 July 2022

Mako Field	Low Case	Best Case	High Case
NPV ₁₀	255	442	470
Post-Tax IRR	46%	51%	51%

Notes:

1. Last economic production year for Low, Best and High Cases are in 2033, 2036, and 2036, respectively.
2. The NPVs are calculated from discounted cash flows incorporating the fiscal terms governing the assets.
3. The NPVs reported here do not represent an opinion as to the market value of a property or any interest therein.
4. The NPVs are based on a 76.5% WI share of the Duyung PSC, and assuming 88% of the gross field volumes lie within the PSC boundary.
5. IRR's are calculated on a Post-Tax basis, within the PSC period and are included to assess the project against investment criteria for commerciality and to demonstrate it is economic- not as a valuation parameter.

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Discussion

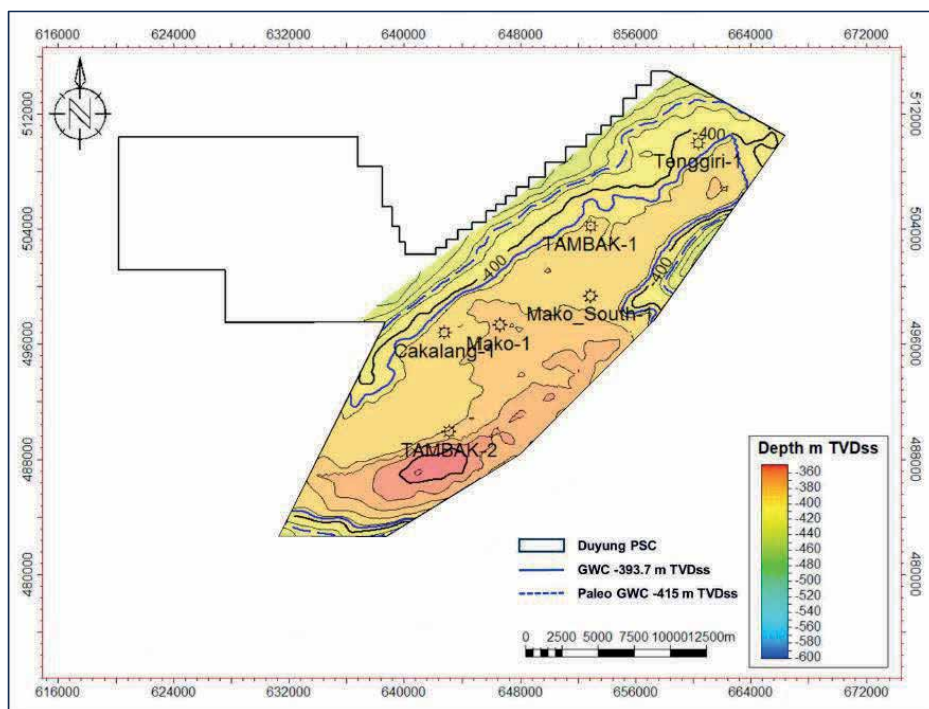
1 Duyung PSC

1.1 Overview

The Duyung PSC is located in the Indonesian waters of the Natuna Sea, approximately 100 km to the north of Matak Island and 400 km northeast of Singapore. Water depth ranges from 60 m to 100 m. The PSC, which originally covered 4,641 km², was awarded in 2007. After fulfilling all relinquishments and work program commitments, the PSC now covers an area of 927 km². In early 2019, the Duyung Contractor Partners entered into a revised Duyung Gross Split Contract with the Government of Indonesia which now runs to 16 January 2037.

The Mako Field is formed of a low relief structure which forms an elongate, SW-NE trending four-way dip closed anticline in the east of the Duyung PSC (**Figure 2**). Six wells have been drilled on the structure. The wells confirmed the presence of good quality gas charged sands over the structure and identified both a current Gas Water Contact (GWC) and an underlying palaeo-gas zone. The wells confirmed the Mako gas to be almost pure methane with negligible inert constituents and mercury contaminants.

Figure 2: Mako Field Structure



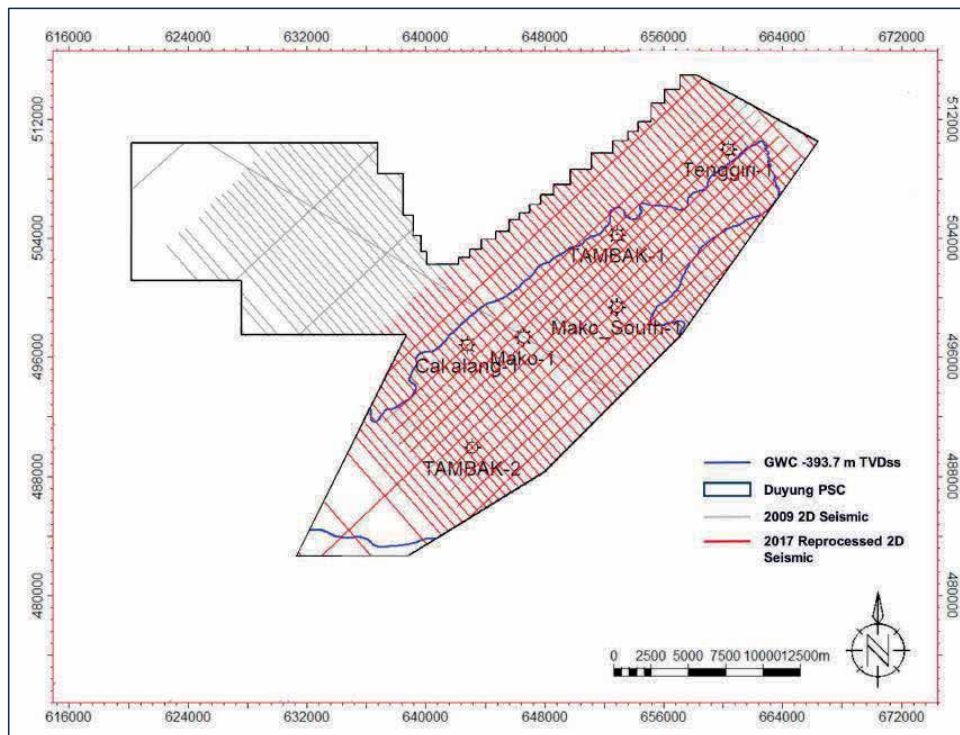
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The volumes and analysis in this document relate to 100% of the whole of the Mako structure, except in **Table 4**, **Table 5**, **Table 16**, and **Table 17** where volumes and NPV's attributable to Conrad's 76.5% WI within the area of the PSC and under the terms of the PSC are stated.

1.2 Data Set

WNEL provided GaffneyCline with a dataset including a 2D seismic survey covering the Duyung PSC acquired in 2009 and later partially reprocessed in 2017. In addition, the dataset included various supporting reports and presentations. Data coverage of the Mako Field is shown in **Figure 3**.

Figure 3: Mako Field Data Coverage



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2 Geology

2.1 Regional Tectonics

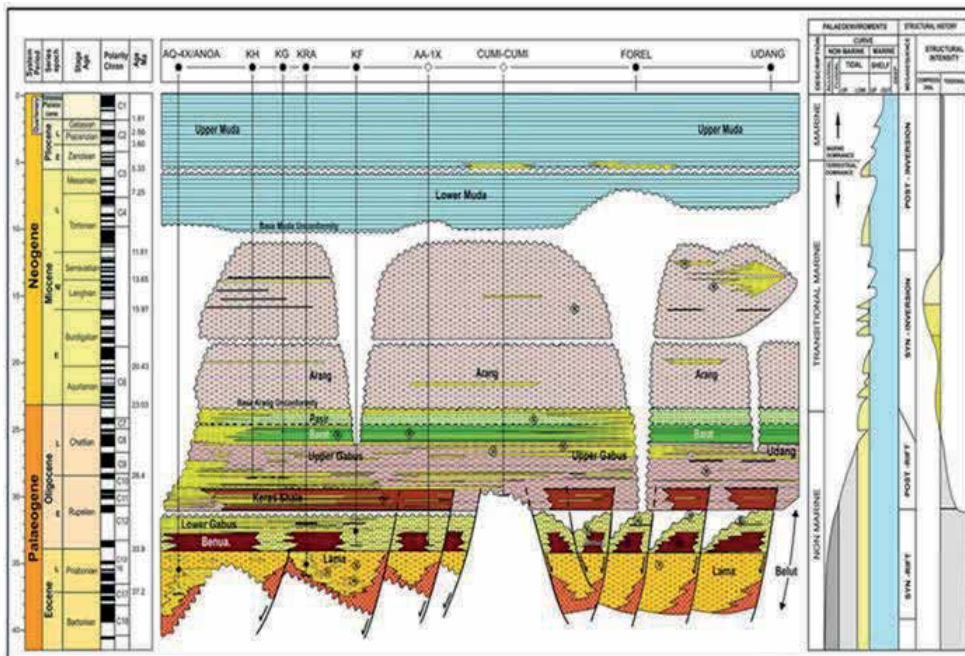
The Duyung PSC is located in the West Natuna Basin. The basin, which represents the south-eastern extension of the Malay Graben, has a complex tectonic history which incorporates collision, intrusion, extension, inversion and wrenching. The basin initially formed as a series of half-grabens which, with increasing subsidence, eventually joined to form the West Natuna Basin.

2.2 Stratigraphy

The stratigraphy of the West Natuna Basin can be divided into syn-rift and post-rift deposits which are overlain by syn-inversion and post-inversion related sediments (Figure 4). The Muda Formation is the gas reservoir in the Mako Field.

In the Upper Miocene - Pliocene section, the Muda Formation is dominantly a shale sequence deposited over the base Muda unconformity during the post-inversion phase. Intra Muda sands occur close to the base of the Pliocene during a low stand. The basal unit of the Intra Muda sands has been defined as an erosional surface on the underlying Lower Muda shale and consequently forms a sequence boundary.

Figure 4: Stratigraphy of the West Natuna Basin



Source: WNEL

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2.3 Mako Field Petroleum System

The primary reservoirs in the Mako Field are the Intra Muda Sands which were deposited in a marginal marine, delta plain setting with high porosities due to its poorly consolidated nature. The Intra Muda Sand is divided into an upper Intra Muda Sand 1 and a lower Intra Muda Sand 2, which are separated by an interbedded, more shale rich interval. The reservoir is associated with a seismic amplitude anomaly with a positive Class III AVO response.

The structure is formed of a SW-NE trending four-way dip closed anticline. The Intra Muda Sands drapes over the underlying Boundary High which formed during Early Miocene inversion. The reservoir is stratigraphically sealed within the Muda Formation which is a thick regional claystone sequence lying unconformably on inverted late syn-rift sediments of the Anambas Graben. Gas was generated biogenically with Mako gas composition being almost pure methane.

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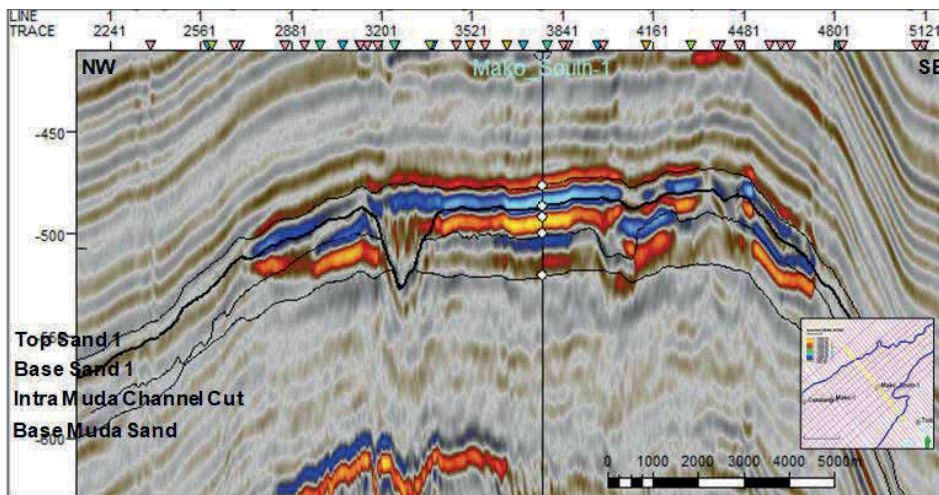
3 Geophysics

3.1 Seismic Interpretation

The seismic interpretation provided by WNEL was reviewed. This included the interpretation of four key horizons; Intra Muda Sand 1 Top, Intra Muda Sand 1 Base, Intra Muda Sand 2 Top and Intra Muda Channel Cut. A Base Muda Sand was created by creating an isopach of the Intra Muda Sand 1 and tied the Base Muda Sand well top.

In general, the WNEL interpretation is reasonable and while alternative interpretations are possible, particularly in the deeper intervals, the interpretation is sufficient for gross rock volume (GRV) calculations. **Figure 5** shows a seismic section across the field.

Figure 5: Seismic Section Across the Mako Field





4 Petrophysics

4.1 Petrophysical Audit

An audit of the updated WNEL petrophysical interpretation based on the latest two appraisal wells, Tambak-1 and Tambak-2, was conducted to review the reservoir properties used in estimating hydrocarbon in-place volumes in the Mako Field. The audit included a review of the Operator's interpretation of clay volume, porosity and water saturation (Sw). The average reservoir properties derived from the logs were then compared with the parameter distribution modelled in the 3D geological model.

The GaffneyCline interpretation results showed the petrophysical interpretation performed by WNEL for the Mako South-1, Tenggiri-1 and Cakalang-1, Tambak-1 and Tambak-2 wells to be reasonable. The absence of density and neutron logs in the Mako-1 well, however, resulted in high uncertainty in the interpretation of the Mako-1 well logs.

4.2 Reservoir Property Averages

WNEL's log curves of clay volume, porosity and Sw were used to generate average reservoir properties for in-place calculation.

For the estimation of in-place volumes, field wide average properties were derived by weighting the individual well values. Due to the uncertainty related to the interpretation of the sonic log in the Mako-1 well, the field averages were calculated with and without the Mako-1 results. A range of properties were then estimated based on this analysis.

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4.3 Fluid Contact

The fluid contact for the Mako Field was determined from the repeat formation tester (RFT) data acquired in the Mako South-1, Tambak-1 and Tambak-2 wells. A plot of the data against TVDss depth (Figure 6) indicates a Free Water Level (FWL) at 1,291.7 ft TVDss (393.7 m TVDss). This inferred FWL is consistent with the Gas GWC observed in the Tambak-1 well (Figure 7) and with Gas Down To’s (GDT) and Water Up To’s (WUT) in the other Mako wells.

Figure 6: RFT Plot, Mako Field

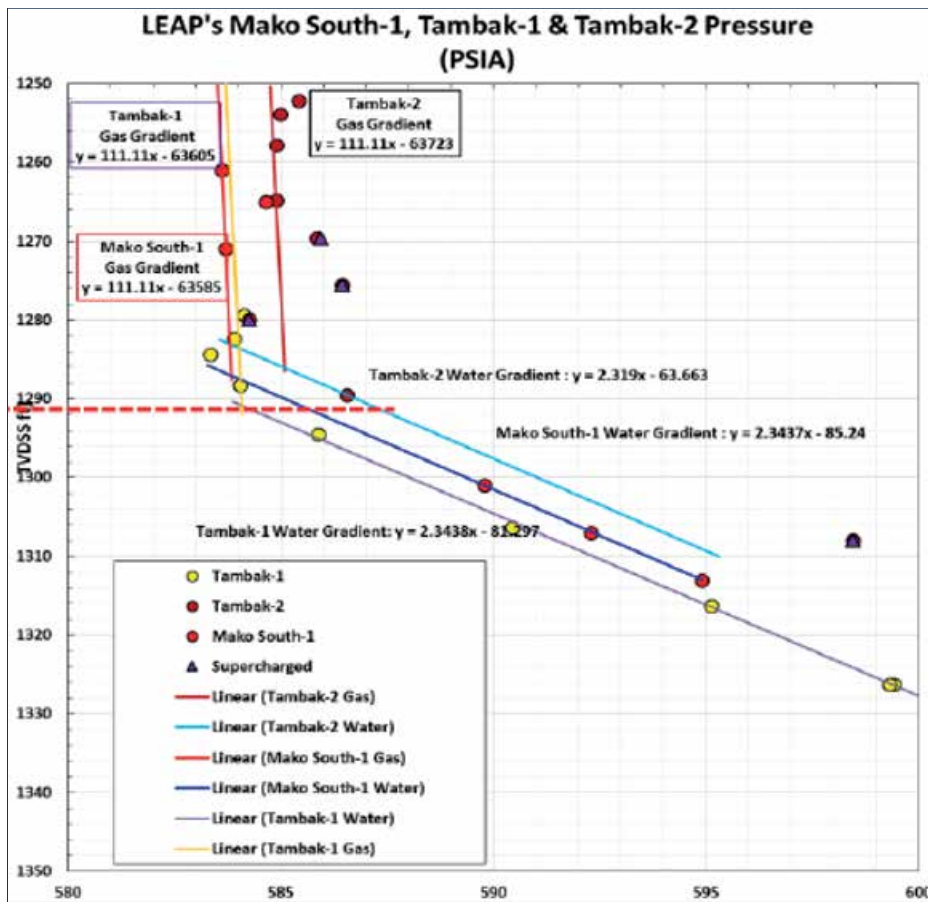
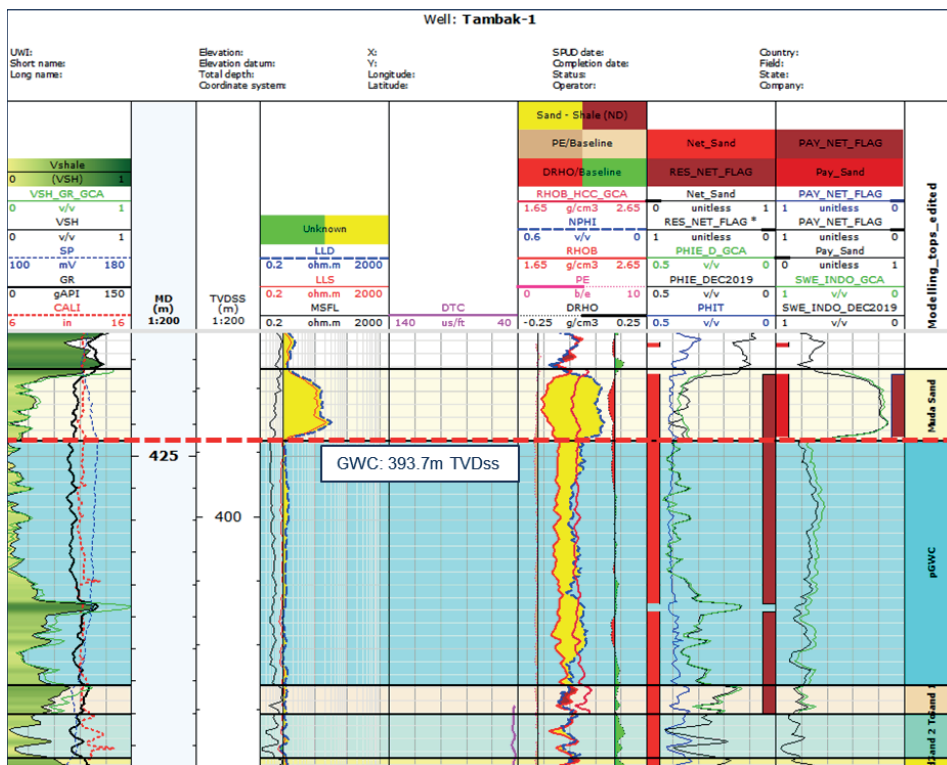




Figure 7: Tambak-1 CPI, showing GWC



Annexure D: Competent Person’s Report for the Duyung PSC, Indonesia Cont.



5 Volume Estimates

WNEL’s volume calculation is based on 22 deterministic static model realisations. The workflow simulates uncertainty in structure, GRV, facies distribution, NTG, porosity, Sw and Bg. WNEL’s uncertainty analysis includes different assumptions on facies and property distribution. WNEL has modelled facies and properties by constraining them to the seismic data using acoustic impedance maps but has also included cases that are unconstrained to the seismic data. GaffneyCline is supportive of including the unconstrained cases to cover the full uncertainty range that exists in the data. The 22 realisations result in a range of GIIP estimates from 374 to 1,005 Bscf. WNEL has picked a Base Case model with a GIIP of 549 Bscf.

In order to estimate the GIIP of the Mako Field, GaffneyCline built a 1D Monte Carlo simulation model. For GRV, GaffneyCline has accepted WNEL’s P90, P50 and P10 inputs given its tests of the WNEL depth surfaces showed them to be reasonable. For GaffneyCline’s NTG, porosity and saturation inputs, a distribution range was constructed based on a combination of GaffneyCline’s well based petrophysical averages calculated during its petrophysical analysis and the ranges calculated from WNEL’s static model realisations. WNEL’s estimate of formation factor which, given depth of burial and reservoir temperature was accepted and is considered reasonable. GIIP estimates for the Mako Field from GaffneyCline’s 1D Monte Carlo model are given in **Table 6**. GaffneyCline’s estimates are within 2% of WNEL’s P50 model GIIP.

Table 6: GaffneyCline’s Estimates of GIIP for the Mako Field

Reservoir	P90 (Bscf)	P50 (Bscf)	P10 (Bscf)
Intra Muda Sand 1	292.8	447.1	692.4
Zone between Sand 1&2	11.3	33.8	70.6
Intra Muda Sand 2	36.2	67.4	108.3
TOTAL	340.3	548.4	871.3



6 Reservoir Engineering

6.1 Production Testing

WNEL carried out DST production tests on the Mako South-1, Tambak-1, Tambak-2 and Tambak-2ST wells. All DST's were successful except those in Tambak-2 and -2ST which failed to flow despite the presence of gas indicated from the open hole logging results. The most likely reason for the lack of flow was reported to be severe formation damage from mud losses during well kill operations invaded the formation and resulted in a damaged zone with. Analysis of the successful DST's confirmed gas composition and provided permeability results that are in general agreement with the permeability measurements obtained from core analysis.

6.2 Fluid Properties

Five gas samples were acquired from the Mako South-1 DST, while eleven gas samples were acquired from the Tambak-1 DST. All samples were analysed by LEMIGAS (except for one sample from Tambak-1 which was validated using Geoservices) and the samples were deemed valid for PVT analysis. Based on the gas composition results, the gas is characterised as a dry gas with high methane (~97 mol%) with about 3 mol% inerts, and a gross heating value of about 984 BTU/ft³.

6.3 Rock Properties

Relative permeability measurements from six core samples from Mako South-1 were available for WNEL to calibrate its relative permeability inputs into the dynamic model.

The trend of end points selected by WNEL appears to be reasonable. Selected checks were performed and the relative permeability end points and Corey functions were used to generate saturation functions. Again, no issues were identified.

When parameters in the previous and current assessment were compared, the only difference in the relative permeability inputs was that the mean permeability of the saturation height equation function were updated. The update was for the purpose of minimising the GIIP differences between the static model and the initialised dynamic model. Based on these checks, GaffneyCline accepts the relative permeability related work performed by WNEL as competent and reasonable.

6.4 Dynamic Reservoir Simulation

Based on the static model WNEL created a dynamic model in order to optimise its development strategy, to get an estimate of recoverable reserves and production forecasts, as well as to understand the impact of associated dynamic uncertainties as it relates to dynamic performance.

Overall, WNEL's methodology is considered reasonable and fit for purpose for the modelling of the reservoir including a residual gas zone between the FWL and a palaeo gas/water contact. The + / - 10 psi difference in pressure (1.7% difference) is reasonable considering the uncertainties involved in the palaeo region. Furthermore, WNEL has already mitigated the risk by performing checks of the initialised grid at a local well level, as well as at an overall field level.

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Aquifer Characterization

WNEL's view is that the aquifer is likely to be limited in extent, due to several factors. The sand fairway thins down flank, and is likely less sand prone, thus limiting aquifer connectivity and support. Furthermore, no water was produced in both the Mako South-1 and Tambak-1 DSTs. WNEL also noted that the field is about 15 psi over pressured. GaffneyCline has checked the RFT data and confirms the slight over pressured water leg. Finally, GaffneyCline notes that Intra Muda Sands are stratigraphically sealed within the Muda Formation which is a thick regional claystone sequence. Due to the anticlinal nature of the structure, the base of the reservoir only falls below the contact at the flanks. The middle of the reservoir is above the contact, which limits the extent of water influx into the wells resulting in a relatively strong depletion drive type drive mechanism

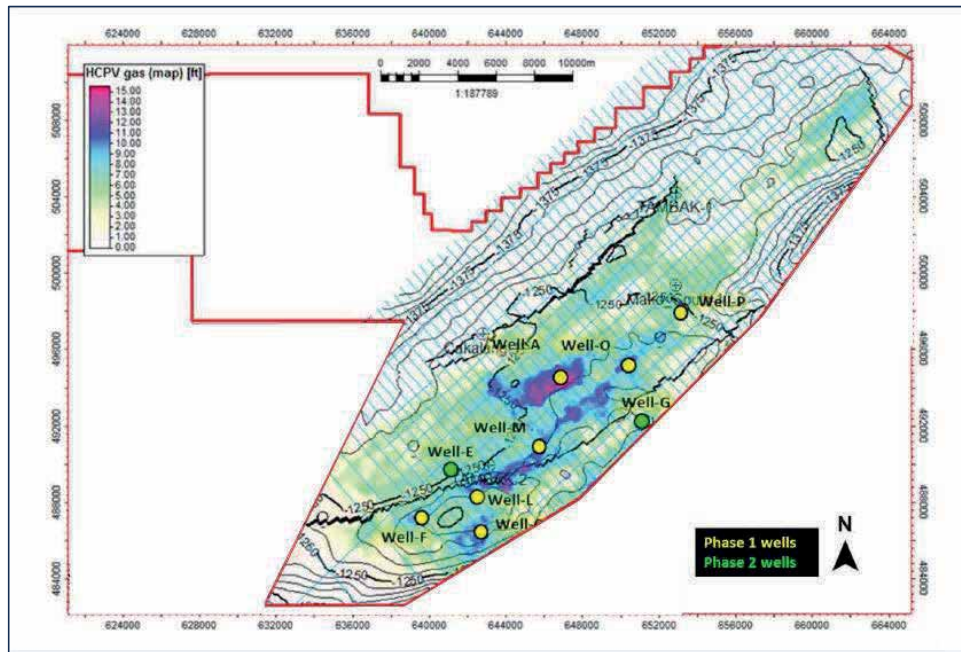
As such, WNEL has initialised the model with a small aquifer size relative to the gas leg (aquifer/hydrocarbon pore volume ratio of about 0.8) and conducted sensitivities which indicated that field performance is relatively insensitive to aquifer size. This approach appears to be reasonable. Overall, GaffneyCline accepts WNEL's treatment of the aquifer in its dynamic model as representative and fit for forecasting.

6.4.1 Development Scenario

WNEL planned the location of its future gas development wells by creating a gas hydrocarbon pore volume (HCPV) map by summing up the initial gas HCPV for all of the layers across the Mako Field. This plot (**Figure 8**), shows the location of two main sweet spots: the Central and South locations.

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Figure 8: Location of Development Wells for WNEL's Current Most Likely Development Scenario, overlain on the Sum of Initial HCPV Gas (All Zones) for the Base Case (inclusive of Palaeo Region)



Source WNEL

Note: Wells A, C, F, M, O and P are planned phase 1 wells, while wells E and G are planned phase 2 wells. Well L was added only for the purpose of development sensitivity testing.

To develop these locations, WNEL has investigated the use of either deviated wells originating from two platforms, or the use of vertical subsea wells. WNEL concluded that a subsea development would be favourable resulting in a longer plateau, higher gas recovery factor and reservoir drainage, considering a more optimal areal well distribution.

The development scenario assumes a single processing platform installed in the central area of the field with one platform well (well A), with the other seven wells designated as subsea wells. These 7" tubing sized wells are planned over two development phases. Six wells are planned in phase one based on a production plateau rate of 120 MMscfd, an individual well rate of 30 MMscfd and one extra well for redundancy. Two additional wells are planned in phase two aimed at extending the gas plateau rate. Phase two wells will target any areas or sands that have a lower recovery, based on production data from the previous phase. Compression is planned from the start of production to meet the WNTS sales pressure specification. The wells will mainly target the Upper Intra Muda Sand 1 with completion interval depending on sand quality.

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6.4.2 Field Development Facilities and Tubing Head Pressure

WNEL is currently in parallel discussions with two different gas buyers and the exact gas export scenario has yet to be finalised. Based on the currently available information shared by WNEL, it appears that the current preferred development option involves having surface and processing facilities located on a leased jack-up. WNEL informs GaffneyCline that the Memorandum of Understanding for this jack-up is currently in preparation. Gas will likely be piped from Mako via a 60 km 18" export pipeline and tied to the WNTS at the Kakap Field. This development concept has superseded the previous plans for shared processing facilities with the nearby Kerisi platform due to the limited maximum 90 MMscfd processing capacity at Kerisi.

Given that the field is relatively shallow with reservoir pressure of less than 600 psia with limited water influx, it is imperative to develop the field to a low abandonment pressure to maximise the recovery of the field. A compression system with approximately 20 MW is planned to export and compress the gas to about 1,600 psig for export at the platform located at well A.

6.4.3 Well Modelling

WNEL investigated the impact of tubing size (5.5" vs 7") under two water gas ratio conditions (0 & 2 bbl/MMscf – to account for condensed water production). The 7" tubing size was selected and three different well types (vertical, 60° deviated and horizontal) were further investigated.

GaffneyCline notes that most of the development wells are planned to be completed in the better-quality upper sand. There is a risk, therefore, that in the event the zone between Sand 1&2 is sealing, that the bottom sand might not be completely produced. However, this is a small risk since the reservoir is likely to be in vertical communication. Furthermore, wells in phase 2 could be completed to include the bottom sand in the event of observed vertical compartmentalisation during the initial phase of production.

6.4.4 Base Case Assumptions

The above development scenario was simulated based on a range of inputs and constraints, as summarised in **Table 7**. These factors have all been checked and reviewed by GaffneyCline.

Table 7: Base Case Simulation – Inputs and Forecast Constraints

Type	Parameters		Base Case Assumptions	Comments
Reservoir Inputs	Fluid Properties		Dry Gas	Based on black oil model from sample 0639-A (Section 6.2)
	Rock Properties		Mid Case SCAL	Based on best case mid regression of end-pints and Corey exponent based on six available SCAL points (Section 6.3)
	Aquifer Model		Aquifer/hydrocarbon pore volume ratio of about 0.8	As per aquifer description (Section 6.4)
Forecast Constraints	Field Level	Maximum Field Gas Production Rate	120 MMscfd (150 mmscfd sensitivity)	Based on sales gas requirements, defined in keyword "GCONPROD"
		Minimum Field Gas Production Rate	1 MMscfd	Technical gas rate limitation, defined in keyword "GECON"
		Well Count	6 (Phase 1) + 2 (Phase 2)	6 wells (5 subsea & 1 platform) in phase 1, and an additional 2 wells (all subsea) in phase 2, as discussed in section 6.4.1
	Well Level	Minimum Well Tubing Head Pressure	50 psia	Based on compression and pressure studies
		D-Factor of each Well	D-Factor	Calculated based on reservoir properties

6.4.5 Production Forecast – WNEL Base Case

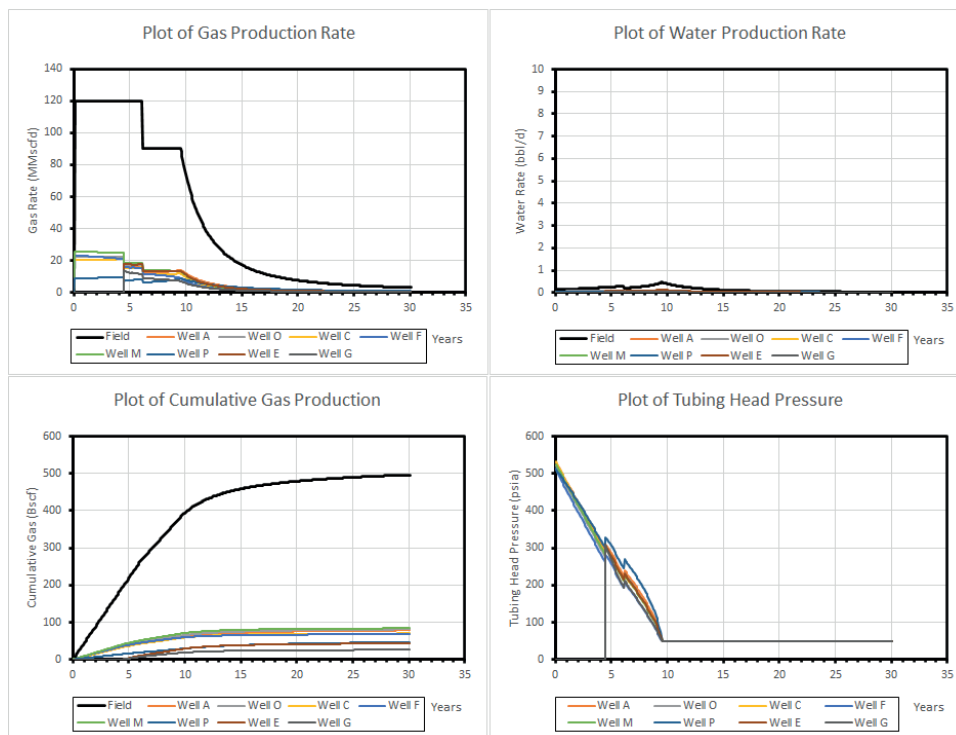
Figure 9 illustrates the field and well production forecasts of the simulation model provided by WNEL simulating its gas development scenario. The only changes made by GaffneyCline to WNEL's model at this juncture is to update its well model, as well as the adjust the plateau gas rate from 150 MMscfd to 120 MMscfd.

The field is expected to meet its target wellhead gas production rate of 120 MMscfd from the initial six Phase 1 wells. An additional two phase 2 wells are modelled to come on-stream after 4.5 years of production in order to extend the gas plateau period. No water is expected to be produced. Phase 1 wells are expected to produce about 75 Bscf of gas on average (with a range of 50-88 Bscf), while phase 2 wells are expected to produce 30 Bscf of gas on average (with a range of 23-38 Bscf). In total, the dynamic model produces a total of 511 Bscf of gas after producing for 30 years.

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Figure 9: Field and Well Production Forecast of the Base Case



6.5 Recovery Factors and Dynamic Uncertainties

6.5.1 Recovery Factor Results from Reference Simulation Model

Recovery factors derived from the simulation model provided by WNEL have been summarised in **Table 8**. These recovery factors have been broken down by region. GaffneyCline notes that the recovery factor predicted from the simulation model has increased, mainly as a result of better than expected reservoir properties from Tambak-1 & -2, with a smaller positive contributions from optimising the well concept (from vertical to deviated), as well as from accelerated depletion from the reservoir (higher plateau rates).

Table 8: Summary of Results from the Simulation Model

	Initial Gas in Place (Bscf)	Final Gas in Place (Bscf)	Recovery Factor
EQLNUM 1 (Above GWC 1,287 ft TVDss)	564.1	71.2	87.4%
EQLNUM 2 (Palaeo Region) (Palaeo GWC 1,361 ft TVDss)	42.5	24.1	42.8%
Field	606.3	95.3	84.3%



6.5.2 Sensitivity Studies and Dynamic Uncertainty

WNEL has conducted a variety of sensitivity studies to investigate the range of dynamic uncertainty.

Overall, dynamic uncertainties have been shown to be relatively minor, based on sensitivity studies performed by WNEL.

GaffneyCline supplemented the sensitivity studies performed by WNEL by investigating the uncertainties surrounding additional factors specific to WNEL's development plan- tubing head pressure, GIIP and Palaeo Zone characterization.

Based on the results from WNEL's and GaffneyCline's sensitivity analysis, **Table 9** GaffneyCline has adopted a technical recovery factor range of 84%-87%-88% for its Low-Best-High cases for the free gas zone, and a technical recovery factor range of 5%-43%-60% for its Low-Best-High Cases for the palaeo gas zone.

Table 9 summarises GaffneyCline's recoverable recovery factor and recoverable volume estimates. The production forecasts associated with these recoverable volume estimates is shown in **Figure 10**.

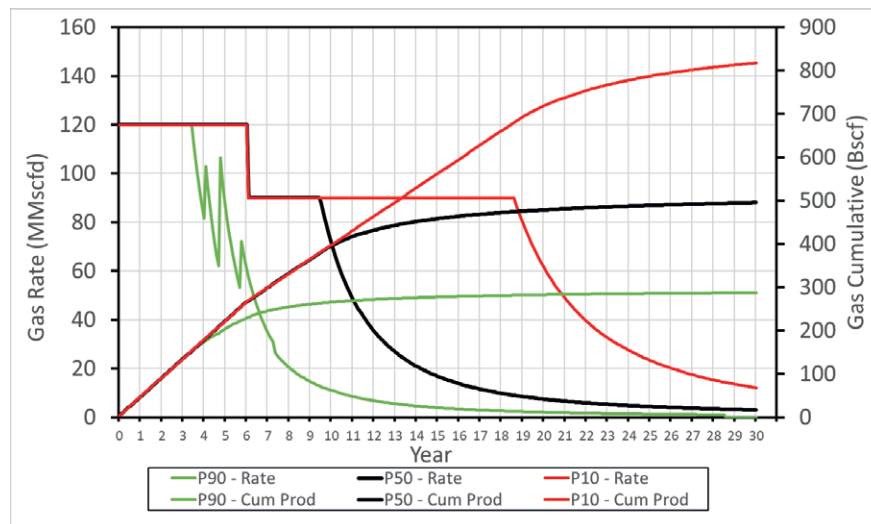
Table 9: GaffneyCline's In Place, Recovery Factor and Recoverable Volumes

	Low Case	Best Case	High Case
EQLNUM 1 In Place	340.3	548.4	871.3
(Above GWC 1,291.5 ft TVDss) (Bscf)			
EQLNUM 2 (Palaeo Region) In Place	21.1	42.2	84.3
(Palaeo GWC 1,361 ft TVDss) (Bscf)			
Total In Place (Bscf)	361.4	590.6	955.7
Recovery Factor of Gas from EQLNUM 1	84%	87%	88%
Recovery Factor of Gas from EQLNUM 2	5%	43%	60%
Total Recovery Factor	79%	84%	86%
Technical Recoverable Volume from Free Gas	285.8	477.1	766.8
Technical Recoverable Volume from Palaeo Gas	1.1	18.1	50.6
Technical Recoverable Volume (Total Free and Palaeo)	286.9	495.2	817.4

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Figure 10: Plot of Gas Rate Production Forecast Associated with GaffneyCline’s Recoverable Volumes



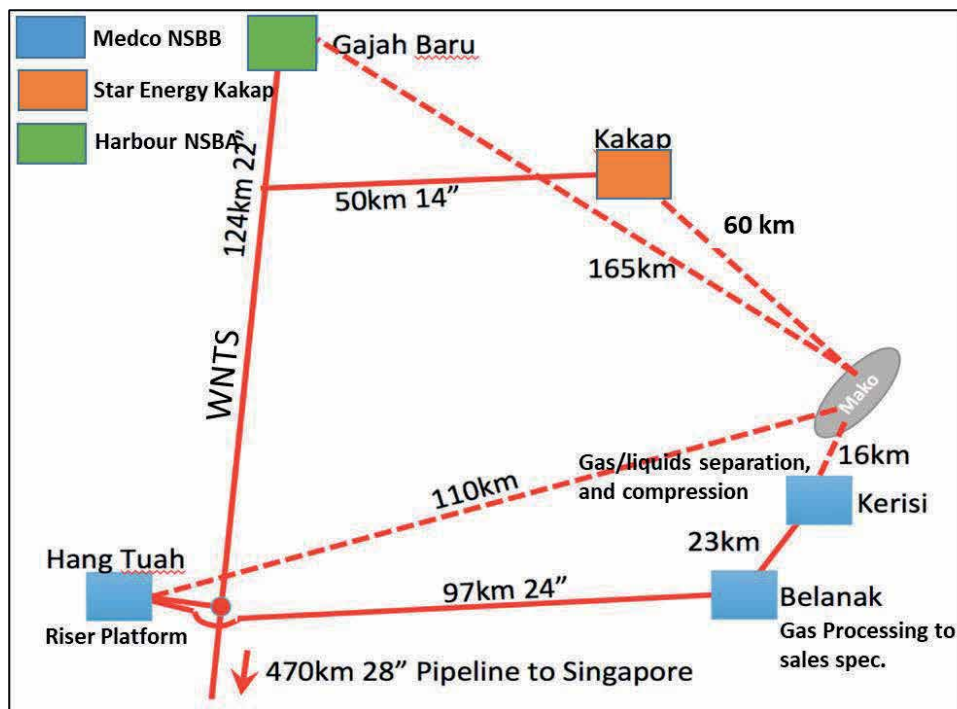
It is also worth noting that the technical recovery factor (mid to high 80% range) is still relatively high for a shallow gas reservoir. This is due to the following assumptions made by WNEL in their field development plan.

1. Relatively weak aquifer, leading to a volumetric depletion type gas reservoir
2. Field is compressed to a THP of 50 psia
3. Relatively wide wellbores which minimises pressure losses in the wellbore leading to a low bottom hole pressure at abandonment
4. Low minimum field technical gas rate of 1 MMscfd

7 Field Development Planning

The Mako gas field covers a wide area (over 300 km²), is situated in shallow (91 meters) water depth and the reservoir is at relatively shallow depth and low pressure (GWC at 1,287 ft TVDss, initial reservoir pressure of 584 psia). The field gas is biogenic, with 3.3% CO₂, 0.4% N₂, minimal hydrocarbon liquids, and no H₂S. The Mako Field center lies close to existing gas development infrastructure, situated 16 km from the Kerisi Field development in Medco's Natuna Sea Block B (NSBB) PSC and 110 km from the West Natuna Transport System (WNTS) pipeline, which transports Natuna Sea gas to the Singapore market. The relationship between the Mako Field and the existing gas processing and export infrastructure and PSC holders is shown in **Figure 11**.

Figure 11: Mako Field in Relation to Regional Infrastructure



Source: Conrad Petroleum, GaffneyCline adapted

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The biogenic Mako gas will require relatively little processing to meet the existing sales specification of WNTS gas. **Table 10** shows a comparison between the WNTS sales gas specification and Mako gas at reservoir conditions.

Table 10: WNTS Gas Specification and Mako Gas at Reservoir Conditions

Specification (unit)	WNTS	Mako	Remark
Gross Heating Value (BTU/scf)	950-1,350	984	Meets spec.
Pressure (psig)	1,800	570	Compression req'd
Dewpoint (degrees F)	55	Water saturated	Dehydration req'd
CO ₂ (mol%)	<10	3.4	Meets spec.
Total Inerts (mol %)	<12	3.8	Meets spec.
H ₂ S (ppm)	<10	nil	Meets spec.

Although Kerisi is the nearest tie-in point to the WNTS system, the available Kerisi gas handling capacity is well below that required to develop Mako. The main WNTS pipeline, however, has a capacity of some 700 MMscfd with only 350 MMscfd of that currently (and foreseeably) utilized.

The WNTS is operated by Medco, on behalf of the WNTS participants- Natuna Sea Block A (NSBA), NSBB, and Star Kakap. Capacity rights are shared between the participants. GaffneyCline understands that WNEL have held preliminary discussions with WNTS together with the Indonesian upstream oil and gas regulatory body SKK Migas.

WNEL have considered several different development concepts, all utilizing the existing infrastructure, basing their approved Plan of Development (PoD) on a tie-in to the Kerisi processing platform. A Revised PoD has been submitted to the regulator, based on an alternative tie in point and a 120 mmscfd plateau production rate- with provision to increase production to 150 mmscfd if supported by reservoir deliverability. The original and revised PoD's are summarised in **Table 11** below, together with the GaffneyCline evaluation basis, and discussed further in the following sections.

Table 11: Mako Field Development Concepts Summary

Case:	PoD Basis	PoD Revision Basis	Evaluation Basis
Recoverable Volumes	84 Bcf	437 Bcf (raw)	437 Bcf (sales)
Point of Sale	Singapore		
Transport	WNTS		
Processing to Sales Spec.	At Kerisi and Belanak	At the Mako Field platform	At the Mako Field platform
Pipeline from Mako	16 km x 22"	64 km x 14"	64 km x 18"
Mako Platform	2 well WHP with compression	Leased MOPU with gas processing and compression	Leased MOPU with gas processing and compression
Field Gathering lines	8 km x 10"		16 km x 20"
Field wells	2 platform wells 1 subsea well	5 wells Phase 1 3 wells Phase 2	6 wells Phase 1 2 wells Phase 2
Total wells	3	8	8
Plateau Capacity	45 MMscfd	120 MMscfd (with flexibility to 150 mmscfd)	120 MMscfd (with 150 mmscfd sensitivity)
Profile duration	10 years	13 years	12 years



7.1 Revised PoD Basis

WNEL's Revised PoD includes two phases of development. In Phase 1, five development wells will be drilled- one from the production platform and the other four as subsea wells. All wells will be completed with large diameter 7" tubing to reduce pressure losses. The subsea wells will be "daisy-chained" along a 16 km x 20 inch flowline along the axis of the field back to the production platform. WNEL intend to lease the production platform and processing topsides as a Mobile Offshore Production Unit (MOPU). The MOPU will produce treated, sales specification gas to the WNTS at Kakap via a 64 km x 14" pipeline.

In addition to hosting a single development well, the MOPU will provide gas/liquids separation, gas compression, dehydration, production metering, control, monitoring, utilities, chemical injection facilities for the wells, helideck, and crew accommodation.

The current compression design envisages some 20 MW of gas-turbine or electric driven centrifugal compressors. At 150 psia inlet pressure these units will be able to deliver 150 MMscfd to the WNTS. In later field life, as reservoir pressure declines, the compression will be able to deliver 40 MMscfd to WNTS at an inlet pressure of 30 psia- providing field abandonment Flowing Tubing Head Pressures (FTHP) of some 35 to 50 psia. Own use volumes (fuel and flare) are estimate at 2.5% of inlet gas plus 0.6 Bcf/year.

Gas transport from the WNTS tie into the point of sale in Singapore is planned to be provided to under a tariff arrangement.

As reservoir pressure declines, a second phase of development will provide two additional subsea wells tied into the gathering network.

The Evaluation Basis is identical to the Revised PoD Basis except in the well phasing (6 wells in Phase 1 rather than 5) and the pipeline diameter to WNTS.

7.2 PoD Basis

The Plan of Development (PoD) was prepared in 2018 and approved in 2019. The regulator, SKK Migas, at that time took a risking approach to the volumes that are considered to support the PoD= 90% of P1 + 50% of P2 resulting in a "Risky 2P" volume of 110.4 Bcf. This volume was further constrained by considering allowable drainage areas around existing exploration and appraisal wells resulting in PoD Recoverable Volumes of 84.14 Bcf.

On this basis, a plateau production rate of 45 MMscfd delivered from three wells was proposed, with the development implemented in a single phase.

Two wells will be drilled from a minimum facilities WHP located 16 km from Kerisi in the center of the Mako Field. In addition to hosting the wells, the WHP will provide compression from day one.

A single subsea well will be tied back to the WHP by an 8 km x 10-inch flowline.

Processing and compression services were planned to be provided by Natuna Sea Block B (NSBB) at their Kerisi platform with WNTS providing transport as described in the WNEL Base Case.

Discussions with SKK Migas to review and approve the Revised PoD are well advanced with all key points documented in the Revised PoD and minuted, however final approval is still pending.

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7.3 Development Costs and Schedule

GaffneyCline has estimated the costs as a cross check. **Table 12** below shows a comparison of the PoD Case, Revised PoD, and GaffneyCline's independent Evaluation Basis. All costs are shown in unescalated, 2021 US\$ million. There is good overall agreement between the GaffneyCline and Revised PoD estimates, with the differences between subsections most likely due to well phasing and cost allocation differences. GaffneyCline's estimate includes an overall 15% contingency.

Table 12: A Comparison of Development CAPEX and DRILLEX

Component	PoD Basis	PoD Revision Basis		Evaluation Basis	
		Phase 1	Phase 2	Phase 1	Phase 2
Scope- Wells	3 wells	5 wells	3 wells	6 wells	2 wells
Scope- Capacity	45 mmscfd	150 mmscfd		150 mmscfd	
Plateau Rate	45 mmscfd	120 mmscfd (with ramp up potential to 150 mmscfd)		120 mmscfd (with 150 mmscfd sensitivity)	
Drilling	\$27.32	\$63	\$41	\$76	\$27
Facilities (MOPU)	\$66.25	Leased		Leased	-
Pipeline/Subsea	\$33.50	\$153	\$29	\$175	\$25
Phase Total	\$127.07	\$216	\$70	\$251	\$52
TOTAL	\$127.07	\$286		\$303	

Field operating costs are split between Field OPEX, MOPU lease costs, and WNTS transport tariffs. The Operator has carried out an Expression of Interest (EoI) survey of potential MOPU suppliers, seeking indicative Bareboat Charter and O&M day rates. GaffneyCline have incorporated and adapted these rates to a lease rate that includes both the MOPU and all topsides equipment. **Table 13** shows a comparison of the original PoD, the Revised PoD, and the Evaluation Basis OPEX, average per annum.

Table 13: OPEX Comparison

OPEX US\$ MM average per Annum	PoD Basis	PoD Revision Basis	Evaluation Basis
Field and Shore Base	\$12.00	\$18.10	\$18.19
Facilities lease	\$8.04	\$16.02	\$16.01*
WNTS transport	\$8.04	\$16.77	\$21.06
Total per annum	\$28.07	\$50.89	\$55.63

*Lease rate is based on the average of the three lowest EoI quotes (of nine responses).

Field abandonment costs (ABEX) are estimated at US\$15.14 MM for the Phase 1 and Phase 2 developments combined, in line with estimates agreed with the Indonesian regulator, SKK Migas.

The detailed cost phasing and breakdown for the Low, Best, and High Cases are provided in **Table 18**, **Table 19** and **Table 20**.



8 Economics

8.1 Fiscal Terms Summary

The Duyung Block PSC was awarded on 16 January 2007. The contract term of 30 years consists of an exploration period of 10 years and a production period of 20 years. The exploration period comprises the original exploration period of 6 years plus an extension of 4 years. Based on WNEL's information, all work commitments have been fulfilled during the exploration period. The current area is 927 km² and no further mandatory area relinquishment is required. A plan of development (POD) for the Mako gas field in the Duyung PSC was approved on 22 February 2019.

The PSC was converted to Gross Split Scheme on 17 January 2019. The fiscal terms that are used in the economic analysis of the Mako gas field are summarised in **Table 14**.

Table 14: Duyung Block Gross Split Fiscal Terms

Contractor Split		Gas	Oil
Base		48%	43%
Variable	POD status	5%	5%
	Field location	12%	12%
	Local content	3%	3%
Progressive Cumulative Production	0-30 MMboe	10%	10%
	30-60 MMboe	9%	9%
	60-90 MMboe	8%	8%
	90-125 MMboe	6%	6%
	125-145 MMboe	4%	4%
	More	0%	0%
Base plus Variable		68%	
Tax Rate		40%	

Notes:

1. Mako gas field will enjoy additional profit split from the progressive split components based on the field cumulative production. With this provision, Mako gas profit share for Contractor will have additional profit share between 0% and 10% on top of the Base plus Variable split of 68%.
2. No cost recovery is allowed, however expenditures are tax deductible following the schedule below:
 - a. Prior to the first commercial production: CAPEX and Non-CAPEX is amortized based on the double amortization schedule of the unit of production (uop). The uop schedule is derived from the approved production profiles in the POD.
 - b. After the commencement of the commercial production:
 - Any expenditures with more than 1-year useful life will be amortized based on the unit of production.
 - Any tangible drilling and facilities will be depreciated at 25% p.a. and will be written off in the 5th year.

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8.2 Gas Sales Agreements

Currently WNEL are discussing two alternative potential gas sales to Singapore. Both have reached closing stages of negotiations. Potential offtake is 120 MMscfd and any gas from Mako will be absorbed by the buyer. The maximum daily quantity may be up to 120% of the Daily Contract Quantity (DCQ).

It is also understood that WNEL may be required to fulfil a minimum Domestic Market Obligation (DMO) of 25% of entitlement volumes to the Indonesian natural gas distribution company Perusahaan Gas Negara (PGN). However, access to this market is contingent on construction of a 7 km pipeline connection from the WNTS to Pemping Island. The estimated CAPEX is US\$100 MM. The plan has been slated for more than 10 years. The future of this pipeline is still uncertain. Hence, the economic analysis will be based solely on the export gas sales.

8.3 Economic Environment

- The effective date of the economic analysis is as of 1 July 2022
- CAPEX and OPEX are assumed to be escalated at 2% p.a. from 1 January 2023.
- The gas price for Mako gas field has been assumed to be 12% of Brent + C, where "C" is a negotiated constant. Brent crude price is derived from GaffneyCline 3Q 2022 Brent crude price scenario. Brent and potential net back gas price to Mako gas field is summarised on **Table 15**.
- No condensate sales are anticipated.
- As of 1 July 2022, a sunk cost balance is US\$41.5 MM. This is derived from client advice and the 4Q2021 FQR to SKK Migas.

Table 15: Brent and Mako Gas Price Scenario as of 1 July 2022

Year	Brent (US\$/Bbl)	Gas Price to Mako (US\$/Mscf)
2022	106.86	13.11
2023	92.88	11.47
2024	85.01	10.55
2025	80.00	9.97
2026	81.60	10.17
2027+	+2% p.a. escalation	12% of Brent crude price + C

8.4 Resources

The assessment of the Contingent Resources for the Mako Field as of 1 July 2022 is summarised in **Table 16**.

Contingent Resources for the Mako Field as of 1 July 2022 were estimated based on the results of the economic parameters summarised above. It is GaffneyCline's opinion that the estimates of total remaining recoverable hydrocarbon liquid volumes, as of 1 July 2022, are reasonable, and the Resources classification and categorization is appropriate and consistent with the PRMS definitions and guidelines for Contingent Resources- Development Pending.



**Table 16: Mako Field, Duyung PSC
Gas Contingent Resources
as of 1 July 2022**

	Gross (Bscf)			Net Attributable to WNEL (Operator) (Bscf)		
	1C	2C	3C	1C	2C	3C
Up to PSC expiry or ELT, whichever is the earlier	249	413	442	130	215	230
Beyond PSC expiry or ELT, whichever is the earlier	-	24	336	-	13	168
TOTAL Gas	249	437	779	130	227	398

Notes:

1. Gross field Contingent Resources are 100% of the volumes estimated to be recoverable from the Mako Field in the event that it is developed according to the intended development option(s).
2. Net Contingent Resources in this table represent WNEL's actual net entitlement under the terms of the PSC that governs the asset and assuming the Duyung PSC holds 88% of Mako Field gas.
3. The volumes reported here are "unrisked" in the sense that no adjustment has been made for the risk that the asset may not be developed in the form envisaged or may not go ahead at all.
4. The Operator of the Duyung PSC is WNEL, a 100%-owned subsidiary of Conrad Energy Asia Ltd. WNEL holds 76.5% working interests in Mako PSC.
5. Last economic production year prior to the PSC expiry date for 1C, 2C and 3C is 2033, 2036 and 2036, respectively. Without considering the PSC expiry date, 2C and 3C can be produced commercially up to 2039 and 2054 respectively.
6. Totals may not exactly equal the sum of the individual entries because of rounding.

The Contingent Resources up to PSC expiry of Economic Limit Test (ELT), whichever is the earlier, attributed to a potential development project of the Mako Field have a sub-class maturity of *Development Pending*, where project activities are ongoing to justify commercial development in the foreseeable future.

The key contingencies that currently prevent these resource volumes being upgraded to reserves are:

- Regulatory approval of the Revised Plan of Development
- Commitment of Buyer(s) and Seller (WNEL/Conrad) to the key terms of the GSA(s) covering the gas volumes. Key terms include price, delivery timing, and plateau rate.
- Agreement of key terms allowing WNEL to access and transport gas through the WNTS to the point of sale. The key terms will include the transport tariff and the terms of operating cost sharing.
- Provision of financing.
- A Final Investment Decision (FID) by Conrad to proceed with the Mako Field development.

The remaining Mako Field resources after the PSC expiry or ELT, whichever is the earlier, have a sub-class maturity of *Development Unclassified*, where a commercial development for such volumes are unclassified at the moment. These volumes are subject to an additional contingency, as they depend on PSC renewal or extension.

Annexure D: Competent Person's Report for the Duyung PSC, Indonesia Cont.

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8.5 NPV Results

The results of discounted post-tax cash flow calculations for a 76.5% WI share of the proposed Mako gas field development, and considering the volumes that lie within the PSC, utilizing the above price and cost assumptions, are provided in **Appendix III** and summarised in **Table 17**. Economic analysis has been run based on the production, CAPEX and OPEX annual profiles as summarised on **Table 18**, **Table 19** and **Table 20**.

**Table 17: Mako Field, Duyung PSC
Unrisked Post-Tax NPV (US\$ MM) attributable to WNEL
as of 1 July 2022**

Discount Rate	Up to PSC expiry date or ELT, whichever is the earlier			Beyond the PSC expiry date or ELT, whichever is the earlier		
	1C	2C	3C	1C	2C	3C
0%	497	992	1,095	-	33	1,002
5%	355	654	708	-	15	383
8%	291	516	553	-	10	223
10%	255	442	470	-	8	157
12%	223	379	402	-	6	112
IRR	46%	51%	51%	46%	51%	52%

Notes:

1. The NPVs are calculated from discounted cash flows incorporating the fiscal terms governing the assets.
2. The NPVs reported here do not represent an opinion as to the market value of a property or any interest therein.
3. The NPVs are based on WNEL's 76.5% WI share of the Duyung PSC.
4. Current interpretations of GIIP indicate that 88% of Mako gas field volumes lie within the Duyung PSC.
5. IRR's are calculated on a Post-Tax basis, within the PSC period and are included to assess the project against investment criteria for commerciality and to demonstrate it is economic- not as a valuation parameter.

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Table 18: Low Case Production, CAPEX and OPEX Profiles (Unescalated)

Year	Sales Gas (Bcf)	Well (US\$ MM)	Facilities (US\$ MM)	OPEX (US\$ MM)
2022	-	0.17	28.13	-
2023	-	30.60	108.89	-
2024	-	45.55	37.86	-
2025	42.11	-	-	57.10
2026	42.11	-	-	54.94
2027	42.11	-	-	53.49
2028	38.37	-	-	51.66
2029	29.73	26.67	25.03	51.07
2030	23.58	-	-	48.14
2031	16.19	-	-	42.02
2032	8.88	-	-	38.25
2033	5.61	-	-	35.50
2034	3.95	-	-	38.44
2035	2.87	-	-	37.62
2036	2.13	-	-	33.52
2037	1.60	-	-	33.37
2038	1.21	-	-	33.17
2039	-	-	-	-
2040	-	-	-	-
Total	260.43	102.98	199.91	608.28

Notes:

1. US\$15.14 MM ABEX is spread over the field production schedule
2. CAPEX and OPEX are un-escalated
3. Prior to economic limit cut off being applied
4. Totals may not add exactly due to rounding

Annexure D: Competent Person's Report for the Duyung PSC, Indonesia Cont.

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Table 19: Best Case Production, CAPEX and OPEX Profiles (Unescalated)

Year	Sales Gas (Bcf)	Well (US\$ MM)	Facilities (US\$ MM)	OPEX (US\$ MM)
2022	-	0.17	28.13	-
2023	-	30.60	108.89	-
2024	-	45.55	37.86	-
2025	42.11	-	-	57.10
2026	42.11	-	-	54.94
2027	42.11	-	-	53.49
2028	42.22	-	-	53.59
2029	42.11	26.67	25.03	57.26
2030	42.11	-	-	57.41
2031	32.32	-	-	50.08
2032	31.52	-	-	49.57
2033	31.43	-	-	48.41
2034	29.74	-	-	51.33
2035	20.65	-	-	46.51
2036	14.36	-	-	39.64
2037	10.45	-	-	37.80
2038	7.90	-	-	36.51
2039	6.11	-	-	40.58
2040	4.86	-	-	40.00
2041	3.91	-	-	34.37
2042	3.21	-	-	34.01
2043	2.67	-	-	33.74
2044	2.25	-	-	25.38
2045	1.90	-	-	25.16
2046	1.62	-	-	25.07
2047	1.39	-	-	25.00
2048	1.20	-	-	24.95
Total	460.23	102.98	199.91	1,001.88

Notes:

1. US\$15.14 MM ABEX is spread over the field production schedule
2. CAPEX and OPEX are un-escalated
3. Prior to economic cut off being applied
4. Totals may not add exactly due to rounding



Table 20: High Case Production, CAPEX and OPEX Profiles (Unescalated)

Year	Sales Gas (Bscf)	Well (US\$ MM)	Facilities (US\$ MM)	OPEX (US\$ MM)
2022	-	0.17	28.13	-
2023	-	30.60	108.89	-
2024	-	45.55	37.86	-
2025	42.11	-	-	57.10
2026	42.11	-	-	54.94
2027	42.11	-	-	53.49
2028	42.22	-	-	53.59
2029	42.11	26.67	25.03	57.26
2030	42.11	-	-	57.41
2031	32.32	-	-	50.08
2032	31.52	-	-	49.57
2033	31.43	-	-	48.41
2034	31.43	-	-	52.18
2035	31.43	-	-	51.90
2036	31.52	-	-	48.22
2037	31.43	-	-	48.29
2038	31.43	-	-	48.28
2039	31.43	-	-	53.24
2040	31.52	-	-	53.33
2041	31.43	-	-	48.13
2042	31.43	-	-	48.12
2043	30.77	-	-	47.79
2044	24.67	-	-	36.59
2045	19.06	-	-	33.75
2046	15.13	-	-	31.82
2047	12.26	-	-	30.43
2048	10.15	-	-	29.42
2049	8.46	-	-	28.62
2050	7.14	-	-	28.00
2051	6.08	-	-	27.52
2052	5.25	-	-	27.15
2053	4.54	-	-	26.84
2054	3.97	-	-	26.59
2055	-	-	-	-
Total	778.53	102.98	199.91	1,308.02

Notes:

1. US\$15.14 MM ABEX is spread over the field production schedule.
2. CAPEX and OPEX are un-escalated
3. Prior to economic cut off being applied
4. Totals may not add exactly due to rounding.

Annexure D: Competent Person's Report for the Duyung PSC, Indonesia Cont.



Basis of Opinion

This document reflects GaffneyCline's informed professional judgment based on accepted standards of professional investigation and, as applicable, the data and information provided by the Client, the limited scope of engagement, and the time permitted to conduct the evaluation.

In line with those accepted standards, this document does not in any way constitute or make a guarantee or prediction of results, and no warranty is implied or expressed that actual outcome will conform to the outcomes presented herein. GaffneyCline has not independently verified any information provided by, or at the direction of, the Client, and has accepted the accuracy and completeness of this data. GaffneyCline has no reason to believe that any material facts have been withheld, but does not warrant that its inquiries have revealed all of the matters that a more extensive examination might otherwise disclose.

The opinions expressed herein are subject to and fully qualified by the generally accepted uncertainties associated with the interpretation of geoscience and engineering data and do not reflect the totality of circumstances, scenarios and information that could potentially affect decisions made by the report's recipients and/or actual results. The opinions and statements contained in this report are made in good faith and in the belief that such opinions and statements are representative of prevailing physical and economic circumstances.

In the preparation of this report, GaffneyCline has used definitions contained within the Petroleum Resources Management System (PRMS), which was approved by the Society of Petroleum Engineers, the World Petroleum Council, the American Association of Petroleum Geologists, the Society of Petroleum Evaluation Engineers, the Society of Exploration Geophysicists, the Society of Petrophysicists and Well Log Analysts, and the European Association of Geoscientists and Engineers in June 2018, Version 1.01 (see **Appendix I**).

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 resources assessments must be recognized as a subjective process of estimating subsurface accumulations of oil and gas that cannot be measured in an exact way. Estimates of oil and gas resources prepared by other parties may differ, perhaps materially, from those contained within this report.

The accuracy of any resources estimate is a function of the quality of the available data and of engineering and geological interpretation. Results of drilling, testing and production that post-date the preparation of the estimates may justify revisions, some or all of which may be material. Accordingly, resources estimates are often different from the quantities of oil and gas that are ultimately recovered, and the timing and cost of those volumes that are recovered may vary from that assumed.

Oil and condensate volumes are reported in millions (10^6) of barrels at stock tank conditions (MMstb). Natural gas volumes have been quoted in billions (10^9) of standard cubic feet (Bscf) and are volumes of sales gas, after an allocation has been made for fuel and process shrinkage losses. Standard conditions are defined as 14.7 psia and 60°F.

GaffneyCline's review and audit involved reviewing pertinent facts, interpretations and assumptions made by Conrad or others in preparing estimates of reserves and resources. GaffneyCline performed procedures necessary to enable it to render an opinion on the appropriateness of the methodologies employed, adequacy and quality of the data relied on,



depth and thoroughness of the reserves and resources estimation process, classification and categorization of reserves and resources appropriate to the relevant definitions used, and reasonableness of the estimates.

Definition of Reserves and Resources

Reserves are those quantities of petroleum anticipated to be commercially recoverable by application of development projects to known accumulations from a given date forward under defined conditions. Reserves must satisfy four criteria: discovered, recoverable, commercial and remaining (as of the evaluation's effective date) based on the development project(s) applied.

Reserves are further categorized in accordance with the level of certainty associated with the estimates and may be sub-classified based on project maturity and/or characterized by development and production status. All categories of reserves volumes quoted herein have been derived within the context of an economic limit test (ELT) assessment (pre-tax and exclusive of accumulated depreciation amounts) prior to any net present value (NPV) analysis.

Contingent Resources are those quantities of petroleum estimated, as of a given date, to be potentially recoverable from known accumulations by application of development projects, but which are not currently considered to be commercially recoverable owing to one or more contingencies. Contingent Resources may include, for example, projects for which there are currently no viable markets, where commercial recovery is dependent on technology under development, where evaluation of the accumulation is insufficient to clearly assess commerciality, where the development plan is not yet approved, or where regulatory or social issues may exist. Contingent Resources are further categorized in accordance with the level of certainty associated with the estimates and may be sub-classified based on project maturity and/or characterized by the economic status.

It must be appreciated that the Contingent Resources reported herein are unrisks in terms of economic uncertainty and commerciality. There is no certainty that it will be commercially viable to produce any portion of the Contingent Resources. Once discovered, the chance that the accumulation will be commercially developed is referred to as the "chance of development" (P_d).

Contingent Resources net to Conrad are quoted as Net Entitlement Reserves, reflecting the terms of the applicable Production Sharing Contract (PSC). The development plans are sufficiently mature for net entitlements to be estimated.

GaffneyCline has not undertaken a site visit and inspection because a visit was not included in the scope of work, and the PSC is offshore and pre-development. As such, GaffneyCline is not in a position to comment on the operations or facilities in place, their appropriateness and condition, or whether they are in compliance with the regulations pertaining to such operations. Further, GaffneyCline is not in a position to comment on any aspect of health, safety or environmental matters.

This report has been prepared based on GaffneyCline's understanding of the effects of petroleum legislation and other regulations that currently apply to these properties.

GaffneyCline is not aware of any carbon pricing impost that is applicable to the evaluation of the assets that are the subject of this report. GaffneyCline has also not included the impact of any potential carbon pricing scheme that may be implemented in the future.

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GaffneyCline is not in a position to attest to property title or rights, conditions of these rights (including environmental and abandonment obligations), or any necessary licenses and consents (including planning permission, financial interest relationships, or encumbrances thereon for any part of the appraised properties).

GaffneyCline is not aware of any potential changes in regulations applicable to these fields that could affect the ability of Conrad to produce the estimated reserves.

Use of Net Present Values

It should be clearly understood that the Net Present Values (NPVs) contained herein do not represent a GaffneyCline opinion as to the market value of the subject property, nor any interest in it.

In assessing a likely market value, it would be necessary to take into account a number of additional factors including reserves risk (i.e., that Proved and/or Probable and/or Possible reserves may not be realised within the anticipated timeframe for their exploitation); perceptions of economic and sovereign risk, including potential change in regulations; potential upside; other benefits, encumbrances or charges that may pertain to a particular interest; and, the competitive state of the market at the time. GaffneyCline has explicitly not taken such factors into account in deriving the NPVs presented herein.

Qualifications

In performing this study, GaffneyCline is not aware that any conflict of interest has existed. As an independent consultancy, GaffneyCline is providing impartial technical, commercial, and strategic advice within the energy sector. GaffneyCline's remuneration was not in any way contingent on the contents of this report.

In the preparation of this document, GaffneyCline has maintained, and continues to maintain, a strict independent consultant-client relationship with Conrad. Furthermore, the management and employees of GaffneyCline have no interest in any of the assets evaluated or are related with the analysis performed, as part of this report.

Staff members who prepared this report hold appropriate professional and educational qualifications, have the necessary levels of experience and expertise to perform the work, and fulfil the requirements of a Qualified Reserves Auditor and Qualified Reserves Evaluator as defined in the PRMS (see Appendix I).

The report is based on information compiled by professional staff members who are full-time employees of GaffneyCline. Staff who participated in the compilation of this report include: Mr. Doug Peacock, Mr. Andrew Duncan, Mr. Wen Bin Nah, Ms. Dewi Sri Redjeki, and Mr. Will Askham. All hold degrees in geoscience, petroleum engineering or related discipline.

The report was prepared by Mr. Duncan, and reviewed and approved by Mr. Peacock, a Technical Director of GaffneyCline.

Mr. Duncan holds a BSc (Hons) in Civil Engineering and is a member of the Society of Petroleum Engineers, the Association of International Petroleum Negotiators, and a Chartered Member of the Institute of Mechanical Engineers. He has over 35 years' industry experience in Europe, the Middle East, and Southeast Asia. He has been involved in many oil and gas Reserves and Resources assessments both for project finance and for public reporting purposes including for ASX, AIM, SGX, Bursa Malaysia and HKEx.

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Mr. Peacock holds a Master's Degree in Petroleum Geology and is a member of the Society of Petroleum Engineers (SPE), the Petroleum Exploration Society of Great Britain, and the American Association of Petroleum Geologists. He has been an SPE Distinguished Lecturer (2010/11) and a member of the SPE Oil and Gas Reserves Committee. He has been involved in many oil and gas Reserves and Resources assessments both for project finance and for public reporting purposes including for ASX, AIM, SGX, SEC and HKEx. He has over 35 year's industry experience.

Annexure D: Competent Person's Report for the Duyung PSC, Indonesia Cont.

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Notice

GaffneyCline has consented to the inclusion of this document in Conrad's prospectus in connection with Conrad's initial public offering and proposed listing on the Australian Securities Exchange, and has not withdrawn its consent on the date of the prospectus. No person or company other than those for whom it is intended may directly or indirectly rely upon its contents. GaffneyCline is acting in an advisory capacity only and, to the fullest extent permitted by law, disclaims all liability for actions or losses derived from any actual or purported reliance on this document (or any other statements or opinions of GaffneyCline) by the Client or by any other person or entity.

It has been a pleasure preparing this CPR of the Duyung PSC for Conrad Asia Energy Ltd.. Please contact the undersigned if you have any questions.

Yours sincerely,

Gaffney, Cline & Associates (Consultants) Pte Ltd



Project Manager
Andrew Duncan, *Principal Advisor*



Reviewed by
Doug Peacock, *Technical Director*

Appendices

Appendix I	SPE PRMS Definitions and Guidelines (Abridged)
Appendix II	Glossary
Appendix III	Economic Cash Flows
Appendix IV	150 MMscfd Sensitivity Results

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Appendix I
SPE PRMS Definitions and Guidelines (Abridged)

Annexure D: Competent Person's Report for the Duyung PSC, Indonesia Cont.

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Society of Petroleum Engineers, World Petroleum Council,
American Association of Petroleum Geologists, Society of Petroleum Evaluation Engineers,
Society of Exploration Geophysicists, Society of Petrophysicists and Well Log Analysts,
and European Association of Geoscientists & Engineers

Petroleum Resources Management System

Definitions and Guidelines ⁽¹⁾

(Revised June 2018)

Table 1—Recoverable Resources Classes and Sub-Classes

Class/Sub-Class	Definition	Guidelines
Reserves	Reserves are those quantities of petroleum anticipated to be commercially recoverable by application of development projects to known accumulations from a given date forward under defined conditions.	<p>Reserves must satisfy four criteria: discovered, recoverable, commercial, and remaining based on the development project(s) applied. Reserves are further categorized in accordance with the level of certainty associated with the estimates and may be sub-classified based on project maturity and/or characterized by the development and production status.</p> <p>To be included in the Reserves class, a project must be sufficiently defined to establish its commercial viability (see Section 2.1.2, Determination of Commerciality). This includes the requirement that there is evidence of firm intention to proceed with development within a reasonable time-frame.</p> <p>A reasonable time-frame for the initiation of development depends on the specific circumstances and varies according to the scope of the project. While five years is recommended as a benchmark, a longer time-frame could be applied where, for example, development of an economic project is deferred at the option of the producer for, among other things, market-related reasons or to meet contractual or strategic objectives. In all cases, the justification for classification as Reserves should be clearly documented.</p> <p>To be included in the Reserves class, there must be a high confidence in the commercial maturity and economic producibility of the reservoir as supported by actual production or formation tests. In certain cases, Reserves may be assigned on the basis of well logs and/or core analysis that indicate that the subject reservoir is hydrocarbon-bearing and is analogous to reservoirs in the same area that are producing or have demonstrated the ability to produce on formation tests.</p>
On Production	The development project is currently producing or capable of producing and selling petroleum to market.	The key criterion is that the project is receiving income from sales, rather than that the approved development project is necessarily complete. Includes Developed Producing Reserves. The project decision gate is the decision to initiate or continue economic production from the project.

¹ These Definitions and Guidelines are extracted from the full Petroleum Resources Management System (revised June 2018) document.

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Class/Sub-Class	Definition	Guidelines
Approved for Development	All necessary approvals have been obtained, capital funds have been committed, and implementation of the development project is ready to begin or is under way.	<p>At this point, it must be certain that the development project is going ahead. The project must not be subject to any contingencies, such as outstanding regulatory approvals or sales contracts. Forecast capital expenditures should be included in the reporting entity's current or following year's approved budget.</p> <p>The project decision gate is the decision to start investing capital in the construction of production facilities and/or drilling development wells.</p>
Justified for Development	Implementation of the development project is justified on the basis of reasonable forecast commercial conditions at the time of reporting, and there are reasonable expectations that all necessary approvals/contracts will be obtained.	<p>To move to this level of project maturity, and hence have Reserves associated with it, the development project must be commercially viable at the time of reporting (see Section 2.1.2, Determination of Commerciality) and the specific circumstances of the project. All participating entities have agreed and there is evidence of a committed project (firm intention to proceed with development within a reasonable time-frame). There must be no known contingencies that could preclude the development from proceeding (see Reserves class).</p> <p>The project decision gate is the decision by the reporting entity and its partners, if any, that the project has reached a level of technical and commercial maturity sufficient to justify proceeding with development at that point in time.</p>
Contingent Resources	Those quantities of petroleum estimated, as of a given date, to be potentially recoverable from known accumulations by application of development projects, but which are not currently considered to be commercially recoverable owing to one or more contingencies.	<p>Contingent Resources may include, for example, projects for which there are currently no viable markets, where commercial recovery is dependent on technology under development, where evaluation of the accumulation is insufficient to clearly assess commerciality, where the development plan is not yet approved, or where regulatory or social acceptance issues may exist.</p> <p>Contingent Resources are further categorized in accordance with the level of certainty associated with the estimates and may be sub-classified based on project maturity and/or characterized by the economic status.</p>
Development Pending	A discovered accumulation where project activities are ongoing to justify commercial development in the foreseeable future.	<p>The project is seen to have reasonable potential for eventual commercial development, to the extent that further data acquisition (e.g., drilling, seismic data) and/or evaluations are currently ongoing with a view to confirming that the project is commercially viable and providing the basis for selection of an appropriate development plan. The critical contingencies have been identified and are reasonably expected to be resolved within a reasonable time-frame. Note that disappointing appraisal/evaluation results could lead to a reclassification of the project to On Hold or Not Viable status.</p> <p>The project decision gate is the decision to undertake further data acquisition and/or studies designed to move the project to a level of technical and commercial maturity at which a decision can be made to proceed with development and production.</p>

Annexure D: Competent Person's Report for the Duyung PSC, Indonesia Cont.

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Class/Sub-Class	Definition	Guidelines
Development on Hold	A discovered accumulation where project activities are on hold and/or where justification as a commercial development may be subject to significant delay.	<p>The project is seen to have potential for commercial development. Development may be subject to a significant time delay. Note that a change in circumstances, such that there is no longer a probable chance that a critical contingency can be removed in the foreseeable future, could lead to a reclassification of the project to Not Viable status.</p> <p>The project decision gate is the decision to either proceed with additional evaluation designed to clarify the potential for eventual commercial development or to temporarily suspend or delay further activities pending resolution of external contingencies.</p>
Development Unclassified	A discovered accumulation where project activities are under evaluation and where justification as a commercial development is unknown based on available information.	<p>The project is seen to have potential for eventual commercial development, but further appraisal/evaluation activities are ongoing to clarify the potential for eventual commercial development.</p> <p>This sub-class requires active appraisal or evaluation and should not be maintained without a plan for future evaluation. The sub-class should reflect the actions required to move a project toward commercial maturity and economic production.</p>
Development Not Viable	A discovered accumulation for which there are no current plans to develop or to acquire additional data at the time because of limited production potential.	<p>The project is not seen to have potential for eventual commercial development at the time of reporting, but the theoretically recoverable quantities are recorded so that the potential opportunity will be recognized in the event of a major change in technology or commercial conditions.</p> <p>The project decision gate is the decision not to undertake further data acquisition or studies on the project for the foreseeable future.</p>
Prospective Resources	Those quantities of petroleum that are estimated, as of a given date, to be potentially recoverable from undiscovered accumulations.	Potential accumulations are evaluated according to the chance of geologic discovery and, assuming a discovery, the estimated quantities that would be recoverable under defined development projects. It is recognized that the development programs will be of significantly less detail and depend more heavily on analog developments in the earlier phases of exploration.
Prospect	A project associated with a potential accumulation that is sufficiently well defined to represent a viable drilling target.	Project activities are focused on assessing the chance of geologic discovery and, assuming discovery, the range of potential recoverable quantities under a commercial development program.
Lead	A project associated with a potential accumulation that is currently poorly defined and requires more data acquisition and/or evaluation to be classified as a Prospect.	Project activities are focused on acquiring additional data and/or undertaking further evaluation designed to confirm whether or not the Lead can be matured into a Prospect. Such evaluation includes the assessment of the chance of geologic discovery and, assuming discovery, the range of potential recovery under feasible development scenarios.
Play	A project associated with a prospective trend of potential prospects, but that requires more data acquisition and/or evaluation to define specific Leads or Prospects.	Project activities are focused on acquiring additional data and/or undertaking further evaluation designed to define specific Leads or Prospects for more detailed analysis of their chance of geologic discovery and, assuming discovery, the range of potential recovery under hypothetical development scenarios.



Table 2—Reserves Status Definitions and Guidelines

Status	Definition	Guidelines
Developed Reserves	Expected quantities to be recovered from existing wells and facilities.	Reserves are considered developed only after the necessary equipment has been installed, or when the costs to do so are relatively minor compared to the cost of a well. Where required facilities become unavailable, it may be necessary to reclassify Developed Reserves as Undeveloped. Developed Reserves may be further sub-classified as Producing or Non-producing.
Developed Producing Reserves	Expected quantities to be recovered from completion intervals that are open and producing at the effective date of the estimate.	Improved recovery Reserves are considered producing only after the improved recovery project is in operation.
Developed Non-Producing Reserves	Shut-in and behind-pipe Reserves.	<p>Shut-in Reserves are expected to be recovered from (1) completion intervals that are open at the time of the estimate but which have not yet started producing, (2) wells which were shut-in for market conditions or pipeline connections, or (3) wells not capable of production for mechanical reasons. Behind-pipe Reserves are expected to be recovered from zones in existing wells that will require additional completion work or future re-completion before start of production with minor cost to access these reserves.</p> <p>In all cases, production can be initiated or restored with relatively low expenditure compared to the cost of drilling a new well.</p>
Undeveloped Reserves	Quantities expected to be recovered through future significant investments.	Undeveloped Reserves are to be produced (1) from new wells on undrilled acreage in known accumulations, (2) from deepening existing wells to a different (but known) reservoir, (3) from infill wells that will increase recovery, or (4) where a relatively large expenditure (e.g., when compared to the cost of drilling a new well) is required to (a) recomplete an existing well or (b) install production or transportation facilities for primary or improved recovery projects.

Annexure D: Competent Person's Report for the Duyung PSC, Indonesia Cont.

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Table 3—Reserves Category Definitions and Guidelines

Category	Definition	Guidelines
Proved Reserves	Those quantities of petroleum that, by analysis of geoscience and engineering data, can be estimated with reasonable certainty to be commercially recoverable from a given date forward from known reservoirs and under defined economic conditions, operating methods, and government regulations.	<p>If deterministic methods are used, the term "reasonable certainty" is intended to express a high degree of confidence that the quantities will be recovered. If probabilistic methods are used, there should be at least a 90% probability (P90) that the quantities actually recovered will equal or exceed the estimate.</p> <p>The area of the reservoir considered as Proved includes (1) the area delineated by drilling and defined by fluid contacts, if any, and (2) adjacent undrilled portions of the reservoir that can reasonably be judged as continuous with it and commercially productive on the basis of available geoscience and engineering data.</p> <p>In the absence of data on fluid contacts, Proved quantities in a reservoir are limited by the LKH as seen in a well penetration unless otherwise indicated by definitive geoscience, engineering, or performance data. Such definitive information may include pressure gradient analysis and seismic indicators. Seismic data alone may not be sufficient to define fluid contacts for Proved.</p> <p>Reserves in undeveloped locations may be classified as Proved provided that:</p> <ul style="list-style-type: none"> A. The locations are in undrilled areas of the reservoir that can be judged with reasonable certainty to be commercially mature and economically productive. B. Interpretations of available geoscience and engineering data indicate with reasonable certainty that the objective formation is laterally continuous with drilled Proved locations. <p>For Proved Reserves, the recovery efficiency applied to these reservoirs should be defined based on a range of possibilities supported by analogs and sound engineering judgment considering the characteristics of the Proved area and the applied development program.</p>
Probable Reserves	Those additional Reserves that analysis of geoscience and engineering data indicates are less likely to be recovered than Proved Reserves but more certain to be recovered than Possible Reserves.	<p>It is equally likely that actual remaining quantities recovered will be greater than or less than the sum of the estimated Proved plus Probable Reserves (2P). In this context, when probabilistic methods are used, there should be at least a 50% probability that the actual quantities recovered will equal or exceed the 2P estimate.</p> <p>Probable Reserves may be assigned to areas of a reservoir adjacent to Proved where data control or interpretations of available data are less certain. The interpreted reservoir continuity may not meet the reasonable certainty criteria.</p> <p>Probable estimates also include incremental recoveries associated with project recovery efficiencies beyond that assumed for Proved.</p>

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Category	Definition	Guidelines
Possible Reserves	Those additional reserves that analysis of geoscience and engineering data indicates are less likely to be recoverable than Probable Reserves.	<p>The total quantities ultimately recovered from the project have a low probability to exceed the sum of Proved plus Probable plus Possible (3P), which is equivalent to the high-estimate scenario. When probabilistic methods are used, there should be at least a 10% probability (P10) that the actual quantities recovered will equal or exceed the 3P estimate.</p> <p>Possible Reserves may be assigned to areas of a reservoir adjacent to Probable where data control and interpretations of available data are progressively less certain. Frequently, this may be in areas where geoscience and engineering data are unable to clearly define the area and vertical reservoir limits of economic production from the reservoir by a defined, commercially mature project.</p> <p>Possible estimates also include incremental quantities associated with project recovery efficiencies beyond that assumed for Probable.</p>
Probable and Possible Reserves	See above for separate criteria for Probable Reserves and Possible Reserves.	<p>The 2P and 3P estimates may be based on reasonable alternative technical interpretations within the reservoir and/or subject project that are clearly documented, including comparisons to results in successful similar projects.</p> <p>In conventional accumulations, Probable and/or Possible Reserves may be assigned where geoscience and engineering data identify directly adjacent portions of a reservoir within the same accumulation that may be separated from Proved areas by minor faulting or other geological discontinuities and have not been penetrated by a wellbore but are interpreted to be in communication with the known (Proved) reservoir. Probable or Possible Reserves may be assigned to areas that are structurally higher than the Proved area. Possible (and in some cases, Probable) Reserves may be assigned to areas that are structurally lower than the adjacent Proved or 2P area.</p> <p>Caution should be exercised in assigning Reserves to adjacent reservoirs isolated by major, potentially sealing faults until this reservoir is penetrated and evaluated as commercially mature and economically productive. Justification for assigning Reserves in such cases should be clearly documented. Reserves should not be assigned to areas that are clearly separated from a known accumulation by non-productive reservoir (i.e., absence of reservoir, structurally low reservoir, or negative test results); such areas may contain Prospective Resources.</p> <p>In conventional accumulations, where drilling has defined a highest known oil elevation and there exists the potential for an associated gas cap, Proved Reserves of oil should only be assigned in the structurally higher portions of the reservoir if there is reasonable certainty that such portions are initially above bubble point pressure based on documented engineering analyses. Reservoir portions that do not meet this certainty may be assigned as Probable and Possible oil and/or gas based on reservoir fluid properties and pressure gradient interpretations.</p>

Annexure D: Competent Person’s Report for the Duyung PSC, Indonesia Cont.



Table 4—Other Definitions

Status	Definition
Qualified Reserves Auditor (QRA)	A reserves evaluator who (1) has a minimum of ten years of practical experience in petroleum engineering or petroleum production geology, with at least five years of such experience being in responsible charge of the estimation and evaluation of Reserves information; and (2) either (a) has obtained from a college or university of recognized stature a bachelor's or advanced degree in petroleum engineering, geology, or other discipline of engineering or physical science or (b) has received, and is maintaining in good standing, a registered or certified professional engineer's license or a registered or certified professional geologist's license, or the equivalent, from an appropriate governmental authority or professional organization. (see SPE 2007 "Standards Pertaining to the Estimating and Auditing of Oil and Gas Reserves Information")
Qualified Reserves Evaluator (QRE)	A reserves evaluator who (1) has a minimum of five years of practical experience in petroleum engineering or petroleum production geology, with at least three years of such experience being in the estimation and evaluation of Reserves information; and (2) either (a) has obtained from a college or university of recognized stature a bachelor's or advanced degree in petroleum engineering, geology, or other discipline of engineering or physical science or (b) has received, and is maintaining in good standing, a registered or certified professional engineer's license or a registered or certified professional geologist's license, or the equivalent, from an appropriate governmental authority or professional organization. (modified from SPE 2007 "Standards Pertaining to the Estimating and Auditing of Oil and Gas Reserves Information")
Economic Limit	Defined as the time when the maximum cumulative net cash flow (see Net Entitlement) occurs for a project. From which, an Economic Limit Test (ELT) can be defined as: an economics test to determine the time when the maximum cumulative net cash flow occurs for a project.



Figure 1.1—RESOURCES CLASSIFICATION FRAMEWORK

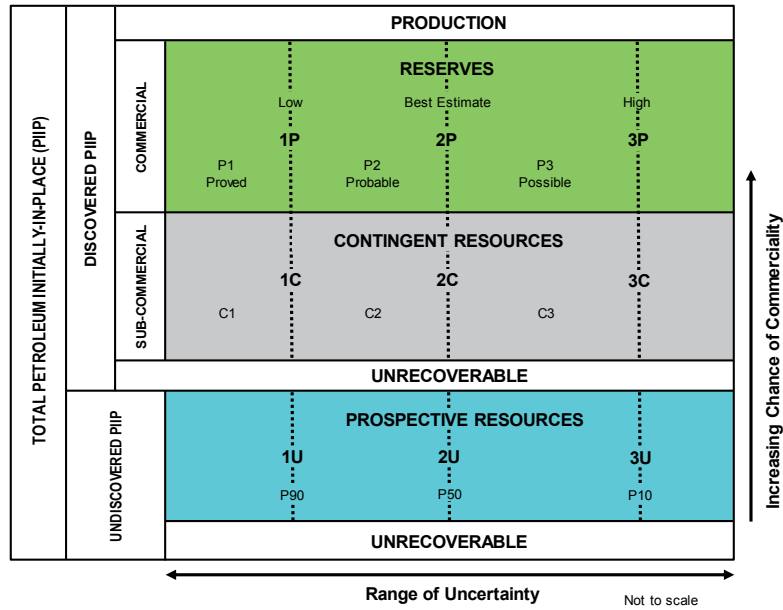
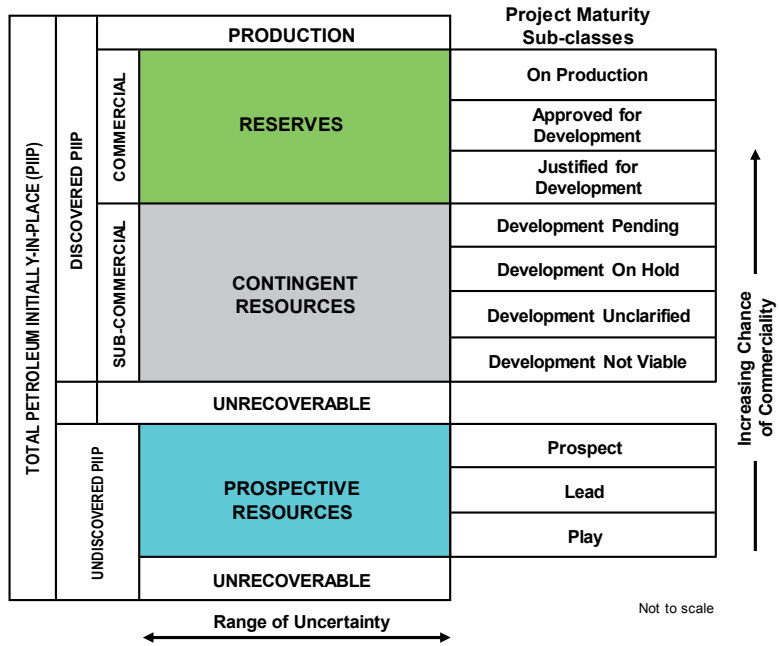


Figure 2.1—SUB-CLASSES BASED ON PROJECT MATURITY



Annexure D: Competent Person's Report for the Duyung PSC, Indonesia Cont.

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Appendix II Glossary



GLOSSARY

List of Standard Oil Industry Terms and Abbreviations

ABEX	Abandonment Expenditure
ACQ	Annual Contract Quantity
°API	Degrees API (American Petroleum Institute)
AAPG	American Association of Petroleum Geologists
AVO	Amplitude versus Offset
A\$	Australian Dollars
B	Billion (10 ⁹)
Bbl	Barrels
/Bbl	per barrel
BBbl	Billion Barrels
BHA	Bottom Hole Assembly
BHC	Bottom Hole Compensated
Bscf or Bcf	Billion standard cubic feet
Bscfd or Bcfd	Billion standard cubic feet per day
Bm ³	Billion cubic metres
bcpd	Barrels of condensate per day
BHP	Bottom Hole Pressure
blpd	Barrels of liquid per day
bpd	Barrels per day
boe	Barrels of oil equivalent @ xxx mcf/Bbl
boepd	Barrels of oil equivalent per day @ xxx mcf/Bbl
BOP	Blow Out Preventer
bopd	Barrels oil per day
bwpd	Barrels of water per day
BS&W	Bottom sediment and water
BTU	British Thermal Units
bwpd	Barrels water per day
CBM	Coal Bed Methane
CO ₂	Carbon Dioxide
CAPEX	Capital Expenditure
CCGT	Combined Cycle Gas Turbine
cm	centimetres
CMM	Coal Mine Methane
CNG	Compressed Natural Gas
Cp	Centipoise (a measure of viscosity)
CSG	Coal Seam Gas
CT	Corporation Tax
DCQ	Daily Contract Quantity
Deg C	Degrees Celsius
Deg F	Degrees Fahrenheit
DHI	Direct Hydrocarbon Indicator
DST	Drill Stem Test
DWT	Dead-weight ton
E&A	Exploration & Appraisal
E&P	Exploration and Production
EBIT	Earnings before Interest and Tax
EBITDA	Earnings before interest, tax, depreciation and amortisation
EI	Entitlement Interest
EIA	Environmental Impact Assessment
EMV	Expected Monetary Value
EOR	Enhanced Oil Recovery
EUR	Estimated Ultimate Recovery
FDP	Field Development Plan
FEED	Front End Engineering and Design
FPSO	Floating Production, Storage and Offloading
FSO	Floating Storage and Offloading
ft	Foot/feet
Fx	Foreign Exchange Rate
g	gram

Annexure D: Competent Person's Report for the Duyung PSC, Indonesia Cont.

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g/cc	grams per cubic centimetre
gal	gallon
gal/d	gallons per day
G&A	General and Administrative costs
GBP	Pounds Sterling
GDT	Gas Down to
GIIP	Gas initially in place
GJ	Gigajoules (one billion Joules)
GOR	Gas Oil Ratio
GTL	Gas to Liquids
GWC	Gas water contact
HDT	Hydrocarbons Down to
HSE	Health, Safety and Environment
HSFO	High Sulphur Fuel Oil
HUT	Hydrocarbons up to
H ₂ S	Hydrogen Sulphide
IOR	Improved Oil Recovery
IPP	Independent Power Producer
IRR	Internal Rate of Return
J	Joule (Metric measurement of energy) kilojoule = 0.9478 BTU)
k	Permeability
KB	Kelly Bushing
KJ	Kilojoules (one Thousand Joules)
kl	Kilolitres
km	Kilometres
km ²	Square kilometres
kPa	Thousands of Pascals (measurement of pressure)
KW	Kilowatt
KWh	Kilowatt hour
LKG	Lowest Known Gas
LKH	Lowest Known Hydrocarbons
LKO	Lowest Known Oil
LNG	Liquefied Natural Gas
LoF	Life of Field
LPG	Liquefied Petroleum Gas
LTI	Lost Time Injury
LWD	Logging while drilling
m	Metres
M	Thousand
m ³	Cubic metres
Mcf or Mscf	Thousand standard cubic feet
MCM	Management Committee Meeting
MMcf or MMscf	Million standard cubic feet
m ³ d	Cubic metres per day
mD	Measure of Permeability in millidarcies
MD	Measured Depth
MDT	Modular Dynamic Tester
Mean	Arithmetic average of a set of numbers
Median	Middle value in a set of values
MFT	Multi Formation Tester
mg/l	milligrams per litre
MJ	Megajoules (One Million Joules)
Mm ³	Thousand Cubic metres
Mm ³ d	Thousand Cubic metres per day
MM	Million
MMBbl	Millions of barrels
MMBTU	Millions of British Thermal Units
Mode	Value that exists most frequently in a set of values = most likely
Mscfd	Thousand standard cubic feet per day
MMscfd	Million standard cubic feet per day
MW	Megawatt
MWD	Measuring While Drilling

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MWh	Megawatt hour
mya	Million years ago
NGL	Natural Gas Liquids
N ₂	Nitrogen
NPV	Net Present Value
OBM	Oil Based Mud
OCM	Operating Committee Meeting
ODT	Oil down to
OPEX	Operating Expenditure
OWC	Oil Water Contact
p.a.	Per annum
Pa	Pascals (metric measurement of pressure)
P&A	Plugged and Abandoned
PDP	Proved Developed Producing
PI	Productivity Index
PJ	Petajoules (10 ¹⁵ Joules)
PSDM	Post Stack Depth Migration
psi	Pounds per square inch
psia	Pounds per square inch absolute
psig	Pounds per square inch gauge
PUD	Proved Undeveloped
PVT	Pressure volume temperature
P10	10% Probability
P50	50% Probability
P90	90% Probability
Rf	Recovery factor
RFT	Repeat Formation Tester
RT	Rotary Table
R _w	Resistivity of water
SCAL	Special core analysis
cf or scf	Standard Cubic Feet
cf/d or scfd	Standard Cubic Feet per day
scf/ton	Standard cubic foot per ton
SL	Straight line (for depreciation)
s _o	Oil Saturation
SPE	Society of Petroleum Engineers
SPEE	Society of Petroleum Evaluation Engineers
ss	Subsea
stb	Stock tank barrel
STOIIP	Stock tank oil initially in place
s _w	Water Saturation
T	Tonnes
TD	Total Depth
Te	Tonnes equivalent
THP	Tubing Head Pressure
TJ	Terajoules (10 ¹² Joules)
Tscf or Tcf	Trillion standard cubic feet
TCM	Technical Committee Meeting
TOC	Total Organic Carbon
TOP	Take or Pay
Tpd	Tonnes per day
TVD	True Vertical Depth
TVDss	True Vertical Depth Subsea
USGS	United States Geological Survey
US\$	United States Dollar
VSP	Vertical Seismic Profiling
WC	Water Cut
WI	Working Interest
WPC	World Petroleum Council
WTI	West Texas Intermediate
wt%	Weight percent
1H05	First half (6 months) of 2005 (example of date)

Annexure D: Competent Person's Report for the Duyung PSC, Indonesia Cont.

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2Q06	Second quarter (3 months) of 2006 (example of date)
2D	Two dimensional
3D	Three dimensional
4D	Four dimensional
1P	Proved Reserves
2P	Proved plus Probable Reserves
3P	Proved plus Probable plus Possible Reserves
%	Percentage

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**Appendix III
Economic Cash Flows**

Annexure D: Competent Person's Report for the Duyung PSC, Indonesia Cont.

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Duyung PSC Mako Field

Low Case: Constrained by PSC life

Field Production and Cash flows 100%

NPV's 76.5% WI and field GIIP are attributed to WNEL within the PSC boundary

Effective Date: 1-Jul-2022			
Discount Rate	100% WI Pre Tax NPV (US\$MM)	100% WI Post Tax NPV (US\$MM)	WNEL's Post Tax NPV (US\$MM)
5%	1,207	738	497
8%	884	528	355
10%	738	432	291
12%	655	378	255
IRR	583	331	223
	64%	46%	46%

Beginning of period	Mako Field		Field Revenue	Government	Contractor	Total	Total	Total	Pre Tax	Income	Post Tax
	Sales	Price	Gas	Share	Revenue	Oil+Gas CAPEX	Oil+Gas ABEX	Oil+Gas OPEX	Cash Flow	Tax	Cash Flow
	Mscf	US\$/Mscf	US\$ MM	US\$ MM	US\$ MM	US\$ MM	US\$ MM	US\$ MM	US\$ MM	US\$ MM	US\$ MM
Jan-22	-	13.11	-	-	-	28.3	-	-	(28.3)	-	(28.3)
Jan-23	-	11.47	-	-	-	142.3	-	-	(142.3)	-	(142.3)
Jan-24	-	10.55	-	-	-	86.8	-	-	(86.8)	-	(86.8)
Jan-25	115.3	9.97	419.7	92.3	327.4	-	2.0	60.6	264.8	87.0	177.8
Jan-26	115.3	10.17	428.1	94.2	333.9	-	2.0	59.5	272.4	63.3	209.1
Jan-27	115.3	10.37	436.7	96.1	340.6	-	2.1	59.1	279.5	66.1	213.3
Jan-28	105.1	10.58	405.9	89.3	316.6	-	2.1	58.2	256.3	93.2	163.1
Jan-29	81.4	10.79	320.8	73.8	247.0	59.4	2.2	58.7	126.8	62.4	64.4
Jan-30	64.6	11.01	259.5	59.7	199.8	-	2.2	56.4	141.2	53.6	87.6
Jan-31	44.3	11.23	181.7	41.8	139.9	-	2.3	50.2	87.4	32.8	54.7
Jan-32	24.3	11.45	101.6	23.4	78.3	-	2.3	46.6	29.3	10.1	19.2
Jan-33	15.4	11.68	65.6	15.1	50.5	-	-	44.1	6.3	-	6.3
Jan-34	-	-	-	-	-	-	-	-	-	-	-
Jan-35	-	-	-	-	-	-	-	-	-	-	-
Jan-36	-	-	-	-	-	-	-	-	-	-	-
Jan-37	-	-	-	-	-	-	-	-	-	-	-
Jan-38	-	-	-	-	-	-	-	-	-	-	-
Jan-39	-	-	-	-	-	-	-	-	-	-	-
Jan-40	-	-	-	-	-	-	-	-	-	-	-
Jan-41	-	-	-	-	-	-	-	-	-	-	-
Jan-42	-	-	-	-	-	-	-	-	-	-	-
Jan-43	-	-	-	-	-	-	-	-	-	-	-
Jan-44	-	-	-	-	-	-	-	-	-	-	-
Jan-45	-	-	-	-	-	-	-	-	-	-	-
Jan-46	-	-	-	-	-	-	-	-	-	-	-
Jan-47	-	-	-	-	-	-	-	-	-	-	-
Jan-48	-	-	-	-	-	-	-	-	-	-	-
Jan-49	-	-	-	-	-	-	-	-	-	-	-
Jan-50	-	-	-	-	-	-	-	-	-	-	-
Jan-51	-	-	-	-	-	-	-	-	-	-	-
Jan-52	-	-	-	-	-	-	-	-	-	-	-
Jan-53	-	-	-	-	-	-	-	-	-	-	-
Jan-54	-	-	-	-	-	-	-	-	-	-	-
Jan-55	-	-	-	-	-	-	-	-	-	-	-
Total Mako Field	249	Bscf	2,619.7	585.6	2,034.1	316.7	17.2	493.3	1,206.8	468.5	738.3
100% WI Entitlement	193	Bscf									
WNEL's Entitlement	130	Bscf									

Notes:

- NPV reference date is 1st July 2022.
- NPV is attributable to WNEL net entitlement cash flow under the terms of the PSC and after the deduction of the applicable government's, third party's share and related taxes.
- Midyear discounted cash flow.
- The NPVs reported here do not represent an opinion as to the market value of a property or any interest therein.
- Cash flows are shown up to the Economic Limit only.
- Totals may not add exactly due to rounding.



**Duyung PSC
Mako Field**

Best Case: constrained by PSC life

**Field Production and Cash flows 100%
NPV's 76.5% WI and field GIIP are attributed to WNEL within the PSC boundary**

Effective Date: 1-Jul-2022			
Discount Rate	100% WI Pre Tax NPV (US\$MM)	100% WI Post Tax NPV (US\$MM)	WNEL's Post Tax NPV (US\$MM)
0%	2,427	1,473	992
5%	1,623	972	654
8%	1,293	766	516
10%	1,117	656	442
12%	969	563	379
IRR	68%	51%	51%

Beginning of period	Mako Field		Field Revenue	Government	Contractor	Total	Total	Total	Pre Tax	Income	Post Tax
	Sales	Price	Gas	Share	Revenue	Oil+Gas CAPEX	Oil+Gas ABEX	Oil+Gas OPEX	Cash Flow	Tax	Cash Flow
	Mmscfd	US\$/Mscf	US\$ MM	US\$ MM	US\$ MM	US\$ MM	US\$ MM	US\$ MM	US\$ MM	US\$ MM	US\$ MM
Jan-22	-	13.11	-	-	-	28.3	-	-	(28.3)	0.0	(28.3)
Jan-23	-	11.47	-	-	-	142.3	-	-	(142.3)	0.0	(142.3)
Jan-24	-	10.55	-	-	-	86.8	-	-	(86.8)	0.0	(86.8)
Jan-25	115.3	9.97	419.7	92.3	327.4	-	1.6	60.6	265.2	87.2	178.0
Jan-26	115.3	10.17	428.1	94.2	333.9	-	1.6	59.5	272.8	63.5	209.4
Jan-27	115.3	10.37	436.7	96.1	340.6	-	1.7	59.1	279.9	66.3	213.6
Jan-28	115.6	10.58	446.7	98.3	348.4	-	1.7	60.3	286.3	105.2	181.1
Jan-29	115.3	10.79	454.3	104.5	349.8	59.4	1.7	65.8	222.9	100.8	122.1
Jan-30	115.3	11.01	463.4	106.6	356.8	-	1.8	67.3	287.8	112.2	175.6
Jan-31	88.5	11.23	362.8	83.4	279.4	-	1.8	59.9	217.7	84.9	132.8
Jan-32	86.3	11.45	360.9	83.0	277.9	-	1.8	60.4	215.6	84.6	131.0
Jan-33	86.0	11.68	367.1	84.4	282.7	-	1.9	60.2	220.6	83.3	137.3
Jan-34	81.4	11.91	354.3	85.0	269.3	-	1.9	65.1	202.2	80.9	121.3
Jan-35	56.5	12.15	251.0	60.2	190.7	-	-	60.2	130.6	52.2	78.3
Jan-36	39.3	12.39	178.0	42.7	135.3	-	-	52.3	83.0	33.2	49.8
Jan-37	-	-	-	-	-	-	-	-	-	-	-
Jan-38	-	-	-	-	-	-	-	-	-	-	-
Jan-39	-	-	-	-	-	-	-	-	-	-	-
Jan-40	-	-	-	-	-	-	-	-	-	-	-
Jan-41	-	-	-	-	-	-	-	-	-	-	-
Jan-42	-	-	-	-	-	-	-	-	-	-	-
Jan-43	-	-	-	-	-	-	-	-	-	-	-
Jan-44	-	-	-	-	-	-	-	-	-	-	-
Jan-45	-	-	-	-	-	-	-	-	-	-	-
Jan-46	-	-	-	-	-	-	-	-	-	-	-
Jan-47	-	-	-	-	-	-	-	-	-	-	-
Jan-48	-	-	-	-	-	-	-	-	-	-	-
Jan-49	-	-	-	-	-	-	-	-	-	-	-
Jan-50	-	-	-	-	-	-	-	-	-	-	-
Jan-51	-	-	-	-	-	-	-	-	-	-	-
Jan-52	-	-	-	-	-	-	-	-	-	-	-
Jan-53	-	-	-	-	-	-	-	-	-	-	-
Jan-54	-	-	-	-	-	-	-	-	-	-	-
Jan-55	-	-	-	-	-	-	-	-	-	-	-
Total Mako Field	413	Bscf	4,523.0	1,030.8	3,492.2	316.7	17.6	730.5	2,427.3	954.3	1,473.0
100% WI Entitlement	319	Bscf									
WNEL's Entitlement	215	Bscf									

Notes:

1. NPV reference date is 1 July 2022.
2. NPV is attributable to WNEL net entitlement cash flow under the terms of the PSC and after the deduction of the applicable government's, third party's share and related taxes.
3. Midyear discounted cash flow.
4. The NPVs reported here do not represent an opinion as to the market value of a property or any interest therein.
5. Cash flows are shown up to the Economic Limit only.
6. Totals may not add exactly due to rounding.

Annexure D: Competent Person's Report for the Duyung PSC, Indonesia Cont.

Gaffney
Cline

Duyung PSC Mako Field

High Case: constrained by PSC life

Field Production and Cash flows 100%

NPV's 76.5% WI and field GIIP are attributed to WNEL within the PSC boundary

Effective Date: 1-Jul-2022			
Discount Rate	100% WI	100% WI	WNEL's
	Pre Tax NPV (US\$MM)	Post Tax NPV (US\$MM)	Post Tax NPV (US\$MM)
0%	2,684	1,627	1,095
5%	1,756	1,052	708
8%	1,384	821	553
10%	1,188	699	470
12%	1,024	597	402
IRR	69%	51%	51%

Beginning of period	Mako Field		Field Revenue	Government	Contractor	Total Oil+Gas CAPEX	Total Oil+Gas ABEX	Total Oil+Gas OPEX	Pre Tax Cash Flow	Income Tax	Post Tax Cash Flow
	Sales	Price	Gas	Share	Revenue	US\$ MM	US\$ MM	US\$ MM	US\$ MM	US\$ MM	US\$ MM
	Mmscfd	US\$/Mscf	US\$ MM	US\$ MM	US\$ MM	US\$ MM	US\$ MM	US\$ MM	US\$ MM	US\$ MM	US\$ MM
Jan-22	-	13.11	-	-	-	28.3	-	-	(28.3)	0.0	(28.3)
Jan-23	-	11.47	-	-	-	142.3	-	-	(142.3)	0.0	(142.3)
Jan-24	-	10.55	-	-	-	86.8	-	-	(86.8)	0.0	(86.8)
Jan-25	115.3	9.97	419.7	92.3	327.4	-	1.6	60.6	265.2	87.2	178.0
Jan-26	115.3	10.17	428.1	94.2	333.9	-	1.6	59.5	272.8	63.5	209.4
Jan-27	115.3	10.37	436.7	96.1	340.6	-	1.7	59.1	279.9	66.3	213.6
Jan-28	115.6	10.58	446.7	98.3	348.4	-	1.7	60.3	286.3	105.2	181.1
Jan-29	115.3	10.79	454.3	104.5	349.8	59.4	1.7	65.8	222.9	100.8	122.1
Jan-30	115.3	11.01	463.4	106.6	356.8	-	1.8	67.3	287.8	112.2	175.6
Jan-31	88.5	11.23	362.8	83.4	279.4	-	1.8	59.9	217.7	84.9	132.8
Jan-32	86.3	11.45	360.9	83.0	277.9	-	1.8	60.4	215.6	84.6	131.0
Jan-33	86.0	11.68	367.1	84.4	282.7	-	1.9	60.2	220.6	83.3	137.3
Jan-34	86.0	11.91	374.4	89.9	284.6	-	1.9	66.2	216.5	86.6	129.9
Jan-35	86.0	12.15	381.9	91.7	290.3	-	-	67.1	223.1	89.2	133.9
Jan-36	86.3	12.39	390.6	93.8	296.9	-	-	63.6	233.3	93.3	140.0
Jan-37	-	-	-	-	-	-	-	-	-	-	-
Jan-38	-	-	-	-	-	-	-	-	-	-	-
Jan-39	-	-	-	-	-	-	-	-	-	-	-
Jan-40	-	-	-	-	-	-	-	-	-	-	-
Jan-41	-	-	-	-	-	-	-	-	-	-	-
Jan-42	-	-	-	-	-	-	-	-	-	-	-
Jan-43	-	-	-	-	-	-	-	-	-	-	-
Jan-44	-	-	-	-	-	-	-	-	-	-	-
Jan-45	-	-	-	-	-	-	-	-	-	-	-
Jan-46	-	-	-	-	-	-	-	-	-	-	-
Jan-47	-	-	-	-	-	-	-	-	-	-	-
Jan-48	-	-	-	-	-	-	-	-	-	-	-
Jan-49	-	-	-	-	-	-	-	-	-	-	-
Jan-50	-	-	-	-	-	-	-	-	-	-	-
Jan-51	-	-	-	-	-	-	-	-	-	-	-
Jan-52	-	-	-	-	-	-	-	-	-	-	-
Jan-53	-	-	-	-	-	-	-	-	-	-	-
Jan-54	-	-	-	-	-	-	-	-	-	-	-
Jan-55	-	-	-	-	-	-	-	-	-	-	-
Total Mako Field	442	Bscf	4,886.6	1,118.1	3,768.6	316.7	17.6	749.9	2,684.3	1,057.1	1,627.2
100% WI Entitlement	341	Bscf									
WNEL's Entitlement	230	Bscf									

Notes:

- NPV reference date is 1 July 2022.
- NPV is attributable to WNEL net entitlement cash flow under the terms of the PSC and after the deduction of the applicable government's, third party's share and related taxes.
- Midyear discounted cash flow.
- The NPVs reported here do not represent an opinion as to the market value of a property or any interest therein.
- Cash flows are shown up to the Economic Limit only.
- Totals may not add exactly due to rounding.



**Duyung PSC
Mako Field**

Best Case: not constrained by PSC life.

**Field Production and Cash flows 100%
NPV's 76.5% WI and field GIIP are attributed to WNEL within the PSC boundary**

Effective Date: 1-Jul-2022			
Discount Rate	100% WI Pre Tax NPV (US\$MM)	100% WI Post Tax NPV (US\$MM)	WNEL's Post Tax NPV (US\$MM)
0%	2,508	1,522	1,024
5%	1,661	995	670
8%	1,318	781	526
10%	1,136	667	449
12%	983	572	385
IRR	69%	51%	51%

Beginning of period	Mako Field		Field Revenue	Government	Contractor	Total Oil+Gas CAPEX	Total Oil+Gas ABEX	Total Oil+Gas OPEX	Pre Tax Cash Flow	Income Tax	Post Tax Cash Flow
	Sales	Price	Gas	Share	Revenue	US\$ MM	US\$ MM	US\$ MM	US\$ MM	US\$ MM	US\$ MM
	MMScfd	US\$/Mscf	US\$ MM	US\$ MM	US\$ MM	US\$ MM	US\$ MM	US\$ MM	US\$ MM	US\$ MM	US\$ MM
Jan-22	-	13.11	-	-	-	28.3	-	-	(28.3)	0.0	(28.3)
Jan-23	-	11.47	-	-	-	142.3	-	-	(142.3)	0.0	(142.3)
Jan-24	-	10.55	-	-	-	86.8	-	-	(86.8)	0.0	(86.8)
Jan-25	115.3	9.97	419.7	92.3	327.4	-	1.6	60.6	265.2	87.2	178.0
Jan-26	115.3	10.17	428.1	94.2	333.9	-	1.6	59.5	272.8	63.5	209.4
Jan-27	115.3	10.37	436.7	96.1	340.6	-	1.7	59.1	279.9	66.3	213.6
Jan-28	115.6	10.58	446.7	98.3	348.4	-	1.7	60.3	286.3	105.2	181.1
Jan-29	115.3	10.79	454.3	104.5	349.8	59.4	1.7	65.8	222.9	100.8	122.1
Jan-30	115.3	11.01	463.4	106.6	356.8	-	1.8	67.3	287.8	112.2	175.6
Jan-31	88.5	11.23	362.8	83.4	279.4	-	1.8	59.9	217.7	84.9	132.8
Jan-32	86.3	11.45	360.9	83.0	277.9	-	1.8	60.4	215.6	84.6	131.0
Jan-33	86.0	11.68	367.1	84.4	282.7	-	1.9	60.2	220.6	83.3	137.3
Jan-34	81.4	11.91	354.3	85.0	269.3	-	1.9	65.1	202.2	80.9	121.3
Jan-35	56.5	12.15	251.0	60.2	190.7	-	-	60.2	130.6	52.2	78.3
Jan-36	39.3	12.39	178.0	42.7	135.3	-	-	52.3	83.0	33.2	49.8
Jan-37	28.6	12.64	132.1	31.7	100.4	-	-	50.9	49.5	19.8	29.7
Jan-38	21.6	12.90	101.9	24.5	77.4	-	-	50.1	27.3	10.9	16.4
Jan-39	16.7	13.15	80.4	19.3	61.1	-	-	56.8	4.3	1.7	2.6
Jan-40	-	-	-	-	-	-	-	-	-	-	-
Jan-41	-	-	-	-	-	-	-	-	-	-	-
Jan-42	-	-	-	-	-	-	-	-	-	-	-
Jan-43	-	-	-	-	-	-	-	-	-	-	-
Jan-44	-	-	-	-	-	-	-	-	-	-	-
Jan-45	-	-	-	-	-	-	-	-	-	-	-
Jan-46	-	-	-	-	-	-	-	-	-	-	-
Jan-47	-	-	-	-	-	-	-	-	-	-	-
Jan-48	-	-	-	-	-	-	-	-	-	-	-
Jan-49	-	-	-	-	-	-	-	-	-	-	-
Jan-50	-	-	-	-	-	-	-	-	-	-	-
Jan-51	-	-	-	-	-	-	-	-	-	-	-
Jan-52	-	-	-	-	-	-	-	-	-	-	-
Jan-53	-	-	-	-	-	-	-	-	-	-	-
Jan-54	-	-	-	-	-	-	-	-	-	-	-
Jan-55	-	-	-	-	-	-	-	-	-	-	-
Total Mako Field	437	Bscf	4,837.4	1,106.3	3,731.1	316.7	17.6	888.4	2,508.4	986.8	1,521.7
100% WI Entitlement	337	Bscf									
WNEL's Entitlement	227	Bscf									

Notes:

1. NPV reference date is 1st July 2022.
2. NPV is attributable to WNEL net entitlement cash flow under the terms of the PSC and after the deduction of the applicable government's, third party's share and related taxes.
3. Midyear discounted cash flow.
4. The NPVs reported here do not represent an opinion as to the market value of a property or any interest therein.
5. Cash flows are shown up to the Economic Limit only.
6. Totals may not add exactly due to rounding.

Annexure D: Competent Person's Report for the Duyung PSC, Indonesia Cont.

Gaffney
Cline

Duyung PSC Mako Field

High Case: not constrained by PSC life.

Field Production and Cash flows 100%
NPV's 76.5% WI and field GIIP are attributed to WNEL within the PSC boundary

Effective Date: 1-Jul-2022			
Discount Rate	100% WI Pre Tax NPV (US\$MM)	100% WI Post Tax NPV (US\$MM)	WNEL's Post Tax NPV (US\$MM)
0%	5,165	3,115	2,097
5%	2,705	1,621	1,092
8%	1,936	1,152	776
10%	1,578	933	628
12%	1,302	763	514
IRR	69%	52%	52%

Beginning of period	Mako Field		Field Revenue		Government	Contractor	Total Oil+Gas CAPEX	Total Oil+Gas ABEX	Total Oil+Gas OPEX	Pre Tax Cash Flow	Income Tax	Post Tax Cash Flow
	Sales	Price	Gas	Share	Revenue							
	MWscfd	US\$/Mscf	US\$ MM	US\$ MM	US\$ MM	US\$ MM	US\$ MM	US\$ MM	US\$ MM	US\$ MM	US\$ MM	US\$ MM
Jan-22	-	13.11	-	-	-	-	28.3	-	-	(28.3)	0.0	(28.3)
Jan-23	-	11.47	-	-	-	-	142.3	-	-	(142.3)	0.0	(142.3)
Jan-24	-	10.55	-	-	-	-	86.8	-	-	(86.8)	0.0	(86.8)
Jan-25	115.3	9.97	419.7	92.3	327.4	-	1.6	60.6	265.2	87.2	178.0	
Jan-26	115.3	10.17	428.1	94.2	333.9	-	1.6	59.5	272.8	63.5	209.4	
Jan-27	115.3	10.37	436.7	96.1	340.6	-	1.7	59.1	279.9	66.3	213.6	
Jan-28	115.6	10.58	446.7	98.3	348.4	-	1.7	60.3	286.3	105.2	181.1	
Jan-29	115.3	10.79	454.3	104.5	349.8	59.4	1.7	65.8	222.9	100.8	122.1	
Jan-30	115.3	11.01	463.4	106.6	356.8	-	1.8	67.3	287.8	112.2	175.6	
Jan-31	88.5	11.23	362.8	83.4	279.4	-	1.8	59.9	217.7	84.9	132.8	
Jan-32	86.3	11.45	360.9	83.0	277.9	-	1.8	60.4	215.6	84.6	131.0	
Jan-33	86.0	11.68	367.1	84.4	282.7	-	1.9	60.2	220.6	83.3	137.3	
Jan-34	86.0	11.91	374.4	89.9	284.6	-	1.9	66.2	216.5	86.6	129.9	
Jan-35	86.0	12.15	381.9	91.7	290.3	-	-	67.1	223.1	89.2	133.9	
Jan-36	86.3	12.39	390.6	93.8	296.9	-	-	63.6	233.3	93.3	140.0	
Jan-37	86.0	12.64	397.3	95.4	302.0	-	-	65.0	237.0	94.8	142.2	
Jan-38	86.0	12.90	405.3	97.3	308.0	-	-	66.3	241.7	96.7	145.0	
Jan-39	86.0	13.15	413.4	99.2	314.2	-	-	74.5	239.6	95.9	143.8	
Jan-40	86.3	13.42	422.8	109.9	312.9	-	-	76.2	236.7	94.7	142.0	
Jan-41	86.0	13.68	430.1	111.8	318.3	-	-	70.1	248.2	99.3	148.9	
Jan-42	86.0	13.96	438.7	114.1	324.6	-	-	71.5	253.1	101.3	151.9	
Jan-43	84.2	14.24	438.1	113.9	324.2	-	-	72.4	251.8	100.7	151.1	
Jan-44	67.5	14.52	358.3	93.2	265.1	-	-	56.6	208.6	83.4	125.1	
Jan-45	52.2	14.81	282.4	73.4	209.0	-	-	53.2	155.8	62.3	93.5	
Jan-46	41.4	15.11	228.5	59.4	169.1	-	-	51.2	117.9	47.2	70.8	
Jan-47	33.6	15.41	188.9	49.1	139.8	-	-	49.9	89.9	35.9	53.9	
Jan-48	27.8	15.72	159.5	41.5	118.0	-	-	49.2	68.8	27.5	41.3	
Jan-49	23.2	16.03	135.7	38.0	97.7	-	-	48.9	48.8	19.5	29.3	
Jan-50	19.6	16.35	116.8	32.7	84.1	-	-	48.8	35.3	14.1	21.2	
Jan-51	16.7	16.68	101.5	28.4	73.1	-	-	48.9	24.2	9.7	14.5	
Jan-52	14.4	17.02	89.3	25.0	64.3	-	-	49.2	15.1	6.1	9.1	
Jan-53	12.4	17.36	78.8	22.1	56.7	-	-	49.6	7.2	2.9	4.3	
Jan-54	10.9	17.70	70.3	19.7	50.6	-	-	50.1	0.5	0.2	0.3	
Jan-55	-	-	-	-	-	-	-	-	-	-	-	-
Total Mako Field	779	Bscf	9,642.3	2,342.1	7,300.2	316.7	17.6	1,801.4	5,164.5	2,049.2	3,115.3	
100% WI Entitlement	591	Bscf										
WNEL's Entitlement	398	Bscf										

Notes:

- NPV reference date is 1st July 2022.
- NPV is attributable to WNEL net entitlement cash flow under the terms of the PSC and after the deduction of the applicable government's, third party's share and related taxes.
- Midyear discounted cash flow.
- The NPVs reported here do not represent an opinion as to the market value of a property or any interest therein.
- Cash flows are shown up to the Economic Limit only.
- Totals may not add exactly due to rounding.

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Appendix IV
150 MMscfd Sensitivity Results

Annexure D: Competent Person's Report for the Duyung PSC, Indonesia Cont.



The development plan provides the capacity to increase production to 150 mmscf, if reservoir deliverability allows- based on the same six initial development wells tied back to a production platform at the field, with sales gas transported via the West Natuna Transport System (WNTS) pipeline to Singapore for sale to the Singapore market. Two further development wells are planned 5 years after first gas. This alternative is based on a plateau production of 150 MMscfd for 2 (Low case), or 5 (Best and High cases) years. This Revised Plan of Development is subject to approval by the Indonesian regulatory authority SKK Migas.

**Table IV.1: GaffneyCline's Estimate of Gas Contingent Resources
for the Mako Field, Duyung PSC, Indonesia
as of 1 July 2022**

	Gross (Bscf)			Net Attributable to WNEL (Operator) (Bscf)		
	1C	2C	3C	1C	2C	3C
Up to PSC expiry or ELT, whichever is the earlier	250	428	497	131	222	257
Beyond PSC expiry or ELT, whichever is the earlier	-	12	275	-	6	137
TOTAL Gas	250	440	772	131	228	395

Notes:

1. Gross field Contingent Resources are 100% of the volumes estimated to be recoverable from the Mako Field in the event that it is developed according to the Revised Plan of Development.
2. Net Contingent Resources in this table represent WNEL's actual net entitlement, within the PSC boundaries (assuming 88% of GIIP within Duyung PSC) and under the terms of the PSC that governs the asset.
3. The volumes reported here are "unrisked" in the sense that no adjustment has been made for the risk that the asset may not be developed in the form envisaged or may not go ahead at all.
4. The Operator of the Duyung PSC is WNEL, a 100%-owned subsidiary of Conrad Asia Energy Ltd.
5. Last economic production year prior to the PSC expiry date for 1C, 2C and 3C is 2033, 2036 and 2036, respectively. Without considering the PSC expiry date, 2C and 3C can be produced commercially up to 2038 and 2052, respectively.
6. Totals may not exactly equal the sum of the individual entries because of rounding.



The Contingent Resources attributed to a potential development project of the Mako Field have a sub-class maturity of *Development Pending*, where project activities are ongoing to justify commercial development in the foreseeable future. The key contingencies preventing these Contingent Resources from being assessed as Reserves are: regulatory approval of the Revised Plan of Development (PoD), commitment to the key terms of Gas Sales Agreement(s) (GSA), agreement of the key terms of a gas transport agreement through the WNTS to the point of sale, provision of financing, and a Final Investment Decision (FID) by Conrad.

As at the effective date of this report, Conrad are in active engagement with the regulator to finalize approval of the Revised PoD and GSA(s). As the WNTS gas transport agreement depends on the PoD and GSA(s), it will be progressed following finalization of these. Progress on financing and the steps by Conrad towards FID are outwith the scope of this (technical) report.

The un-risked, post-tax, NPV₁₀ of a 76.5% WI in the Mako Field development attributable to WNEL and based on the volumes within the PSC boundaries, is shown in **Table IV.2**.

Table IV.2: Post-Tax NPV10 (US\$ MM) of the Proposed Mako Gas Field Development attributable to WNEL as of 1 July 2022

Mako Field	Low Case	Best Case	High Case
NPV ₁₀	267	500	571
Post-Tax IRR	52%	61%	61%

Notes:

1. Last economic production year for Low, Best and High Cases are in 2033, 2036, and 2036, respectively.
2. The NPVs are calculated from discounted cash flows incorporating the fiscal terms governing the assets.
3. The NPVs reported here do not represent an opinion as to the market value of a property or any interest therein.
4. The NPVs are based on a 76.5% WI share of the Duyung PSC, and assuming 88% of the gross field volumes lie within the PSC boundary. IRR's are calculated on a Post-Tax basis, within the PSC period and are included to assess the project against investment criteria for commerciality and to demonstrate it is economic- not as a valuation parameter.



Annexure E:
Competent Person's
Report for the Offshore
Mangkalihat PSC, Indonesia

Annexure E: Competent Person's Report for the Offshore Mangkalihat PSC, Indonesia

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Competent Person's Report for the Offshore Mangkalihat PSC, Indonesia

Prepared for
Conrad Asia Energy Ltd.

8 July 2022

Annexure E: Competent Person's Report for the Offshore Mangkalihhat PSC, Indonesia Cont.

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8 July 2022

The Directors
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Dear Miltos,

Competent Person's Report for the Offshore Mangkalihhat PSC, Indonesia

Introduction

At the request of Conrad Asia Energy Ltd. ("Conrad" or "the Client"), Gaffney, Cline & Associates (Consultants) Pte Ltd (GaffneyCline) has prepared this Competent Persons Report (CPR) on the Offshore Mangkalihhat (OM) Production Sharing Contract (PSC), offshore Indonesia. This CPR is prepared for the purpose of inclusion in Conrad's prospectus and in accordance with the requirements of the Australian Securities Exchange (ASX) as outlined in the ASX Listing Rules Chapter 5 "Additional reporting on mining and oil and gas production and exploration activities" and Guidance Note 32 "Reporting on Oil and Gas Activities". The effective date of this report is 1 July 2022.

GaffneyCline has consented to the inclusion of this document in Conrad's prospectus in connection with Conrad's initial public offering and proposed listing on the Australian Securities Exchange, and has not withdrawn its consent on the date of the prospectus. In the preparation of this report, GaffneyCline has used definitions contained within the Petroleum Resources Management System (PRMS), which was approved by the Society of Petroleum Engineers, the World Petroleum Council, the American Association of Petroleum Geologists, the Society of Petroleum Evaluation Engineers, the Society of Exploration Geophysicists, the Society of Petrophysicists and Well Log Analysts, and the European Association of Geoscientists and Engineers in June 2018, Version 1.01 (see **Appendix I**).

This report relates specifically and solely to the subject matter as defined in the scope of work (SOW), as set out herein, and is conditional upon the specified assumptions. The report must be considered in its entirety and must only be used for the purpose for which it is intended.

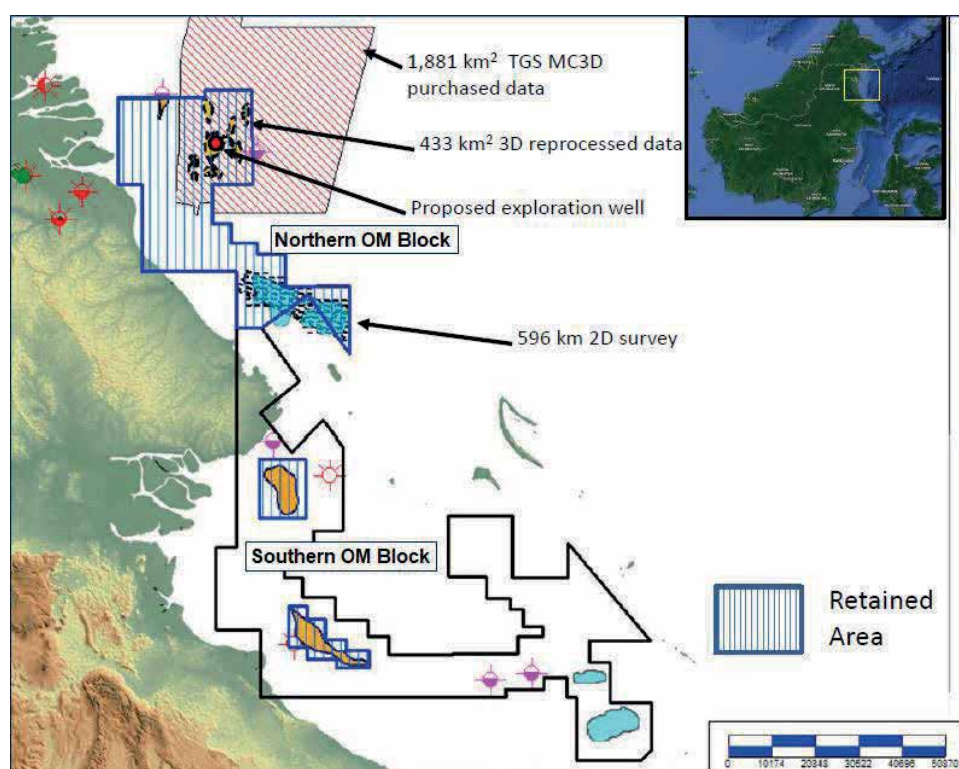
Summary

GaffneyCline has conducted a review of the Prospective Resources of seven prospects and leads identified by Conrad in the Offshore Mangkalihhat (OM) PSC, offshore East Kalimantan, Indonesia (**Figure 1**).

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The OM PSC lies within the Greater Tarakan basin which is formed of several sub-basins. The OM PSC is split into two distinct parts: a Northern OM Block which lies within the Tarakan Sub-basin and a Southern OM Block which lies within the Muara Sub-basin. Each of the sub-basins has distinctive geological characteristics.

Figure 1: Offshore Mangkalihat PSC Location Map



Source: Conrad

Structures identified in the Northern OM Block are formed of fault-dependent structural traps which target Pliocene aged deltaic Tarakan sandstones which were deposited in braided fluvial channels and are analogous to the Badik and West Badik Fields to the north. Reservoirs tend to be stacked and any discovery is likely to consist of multiple, thin bedded, reservoirs interbedded by shales. Due to the nature of the depositional environment, it is possible a stratigraphic trapping mechanism is also present with the sand shaling out laterally. The structures identified in the Northern OM Block are covered by 3D seismic data and can be clearly mapped, and, as such, GaffneyCline considers them to be prospects. GaffneyCline has reviewed three prospects in the Northern OM Block; however, should any of these be successful, additional traps are present which could also be targeted by future wells.

Annexure E: Competent Person's Report for the Offshore Mangkalihat PSC, Indonesia Cont.



Structures identified in the Southern OM Block are covered by 2D data of varying vintages and are not as well defined. Targets include large four-way dip closures formed on basin highs and stratigraphic traps formed in channel slope systems. Reservoir targets are Miocene in age consisting of both carbonates and clastics. GaffneyCline considers the structures in the Southern OM Block to be leads which require further review and likely seismic acquisition before being considered drillable prospects.

No discoveries have yet been made in the OM PSC. Several wells have been drilled on block which have had both oil and gas shows suggesting there is a working petroleum system. Discoveries within the Greater Tarakan Basin include the Badik and West Badik Fields which penetrated multiple reservoir intervals with both oil and gas present. The regional trend, however, is for gas and in the Badik and West Badik Fields, more reservoirs are gas-charged than oil-charged. Due to the uncertainty in likely hydrocarbon phase, GaffneyCline has estimated both an oil case and a gas case for each of the prospects and leads. Note that the volumes estimated are mutually exclusive and are calculated on an either/or basis. Regional data indicates that a gas discovery is more likely than an oil discovery. Due to the nature of the stacked reservoirs in prospects in the Northern OM Block, it is possible a combination of both oil and gas will be present.

For each of the prospects and leads, GaffneyCline has estimated a geological chance of success (GCoS) based on the chance of discovering a hydrocarbon accumulation according to PRMS definitions. The estimation of GCoS uses a matrix approach for each of four factors, trap and seal, reservoir presence and quality, hydrocarbon source (presence, quality, maturity and migration) and geological timing.

Based on our estimates of GIIP, STOIP, and recovery factor range, GaffneyCline has estimated recoverable gas or oil volumes for the prospects and leads in the OM PSC using a 1D Monte Carlo model. These are given in **Table 1** together with GaffneyCline's estimates of GCoS.

The estimated quantities of petroleum that may potentially be recovered by the application of a future development project(s) relate to undiscovered accumulations. These estimates have both a risk of discovery (GCoS) and a risk of development (CoD). Further exploration, appraisal, and evaluation is required to determine the existence of a significant quantity of potentially recoverable hydrocarbons.



Table 1: GaffneyCline's Estimates of Unrisked Gross Prospective Resources and associated GCoS for the Prospects and Leads Identified in OM PSC, Indonesia as of 1st July 2022

Structure	Prospect/ Lead	Gas Prospective Resources (Bscf)			Oil Prospective Resources (MMBbl)			GCoS (%)
		P90	P50	P10	P90	P50	P10	
Labu	Prospect	77.4	208.5	649.1	15.8	58.4	216.5	22
Pare	Prospect	21.6	59.5	174.7	4.3	16.8	58.8	25
Pinang	Prospect	8.1	24.1	74.9	1.8	7.0	25.7	25
Beluga	Lead	82.5	173.6	336.5	36.1	74.1	139.7	11
Utsuri	Lead	61.5	206.1	638.0	18.9	63.6	195.1	14
Yuki	Lead	245.0	511.1	1,079.0	76.7	158.9	336.5	12
Omura	Lead	150.0	314.1	584.9	44.7	94.2	180.2	12

Notes:

1. Gross Prospective Resources are 100% of the volumes estimated to be recoverable from the prospects in the event that a discovery is made and subsequently developed.
2. Net Prospective Resources in this table are Conrad's working interest fraction of the gross Prospective Resources; they do not represent Conrad's actual net entitlement under the terms of the PSC that governs the asset, which would be lower.
3. Prospective Resources volumes are presented as unrisked but are presented together with the associated "Risk Factor", which represents the Geological Chance of Success (GCoS, or P_g), an indicative estimate of the probability that drilling this prospect would result in a discovery. This does not include any assessment of the risk that the discovery, if made, may not be developed. The Chance of Development (CoD) is discussed later in this report.
4. The risk factor "Geological Chance of Success" (P_g) is the estimated chance, or probability of discovering hydrocarbons according to the PRMS definition of discovery. This, then, is the chance or probability of the Prospective Resource maturing into a Contingent Resource.
5. Identification of Prospective Resources associated with a prospect is not indicative of any certainty that the prospect will be drilled in a timely manner.
6. Prospective Resources should not be aggregated with each other or with Reserves or Contingent Resources, because of the different levels of risk involved and the different basis on which the volumes are determined.
7. The Operator of the OM PSC is Conrad Petroleum OM Pte. Ltd., who hold a 100% Working Interest.
8. With no discoveries in the offshore Muara Sub-basin, there is uncertainty over hydrocarbon phase, consequently both an oil case and a gas case have been estimated. Oil and gas volumes are mutually exclusive.
9. Given the regional tendency for gas, GaffneyCline believes a gas discovery is more likely.

The Operator's forward exploration plan in the coming years for the OM block includes additional 2D and 3D seismic over the Beluga and Yuki/Omura leads and preparations for a Labu-1 exploration well.

Annexure E: Competent Person's Report for the Offshore Mangkalihat PSC, Indonesia Cont.

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Discussion

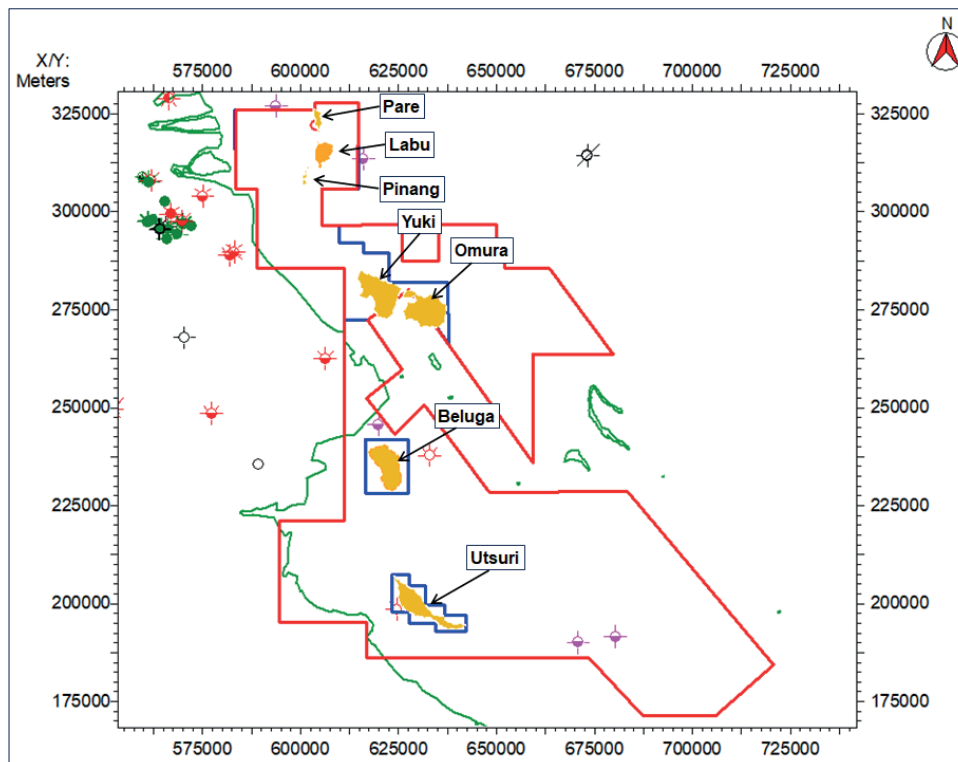
1 Offshore Mangkalihat PSC

1.1 Overview

The Offshore Mangkalihat PSC (OM PSC) covers an area of 1,640.52 km² in the Tarakan Basin, northeast Kalimantan. The block is located offshore in water depths ranging from 0 – 250 m. Conrad holds a 100% interest in the PSC which it acquired in December 2020. There are no outstanding work commitments on the PSC. Relinquishment of various block areas over time has resulted in the PSC being split into three retained areas as shown below in blue outline (**Figure 2**).

Conrad has identified several prospects and leads within the OM PSC. GaffneyCline has reviewed seven which include the Labu, Pare and Pinang Prospects in the Northern OM Block and the Beluga, Utsuri, Yuki and Omura Leads in the Southern OM Block as shown in **Figure 2**.

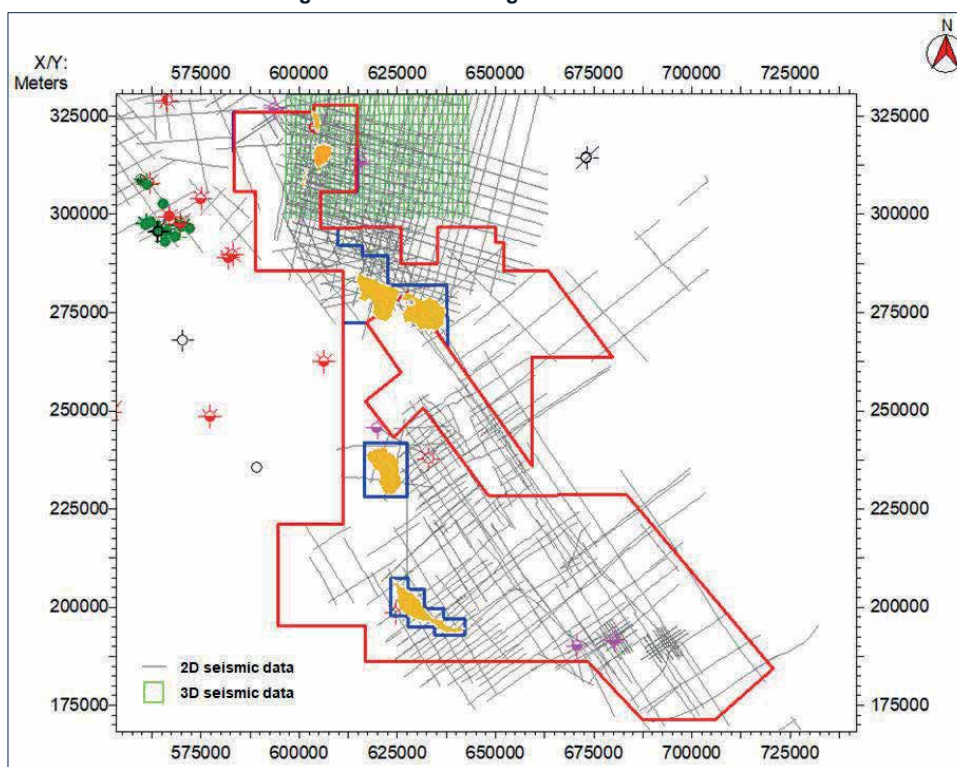
Figure 2: Prospects and Leads Identified in the OM PSC



1.2 Dataset

Conrad provided GaffneyCline with a data set which included a Kingdom project which included both 2D and 3D seismic data of various vintages. The Kingdom project also contained Conrad's depth and time surfaces and fault interpretations. In addition, GaffneyCline was provided with well data from both on-block and from regional analogue fields. These data were supported with various reports and presentations by both Conrad and independent organisations. **Figure 3** shows the data coverage of the OM PSC.

Figure 3: Data Coverage for the OM PSC



Annexure E: Competent Person's Report for the Offshore Mangkalihhat PSC, Indonesia Cont.

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2 Geological Setting

2.1 Regional Tectonics

The OM PSC is located in the Greater Tarakan Basin, which is formed of four sub-basins, the Tarakan, Muara, Tidung and Berau Sub-basins (**Figure 4**). The Greater Tarakan Basin is located on the coastal area of North Kalimantan with the basin extending both onshore and offshore. The northern part of the basin (Tidung Sub-basin) extends into Sarawak, Malaysia. The basin was formed in the Middle Eocene in response to extension associated with the formation of the Sulawesi Sea by rifting of north and west Sulawesi from east Kalimantan.

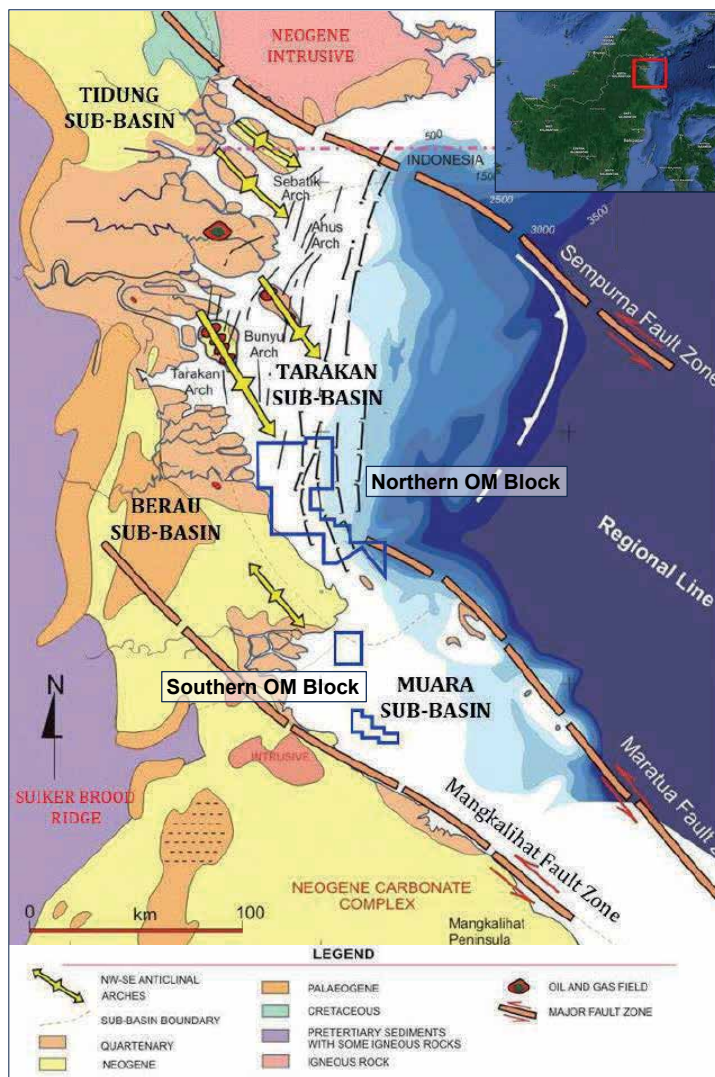
The extensional phase formed a wide basinal area which was filled with Middle Eocene – Early Oligocene clastics and carbonates deposited in continental, shallow marine and deep marine environments within a regressional sequence. This was followed in the Late Oligocene to Early Miocene by a post-rift, transgressive sequence.

During the Middle Miocene – Pliocene, the basin was more tectonically stable, and this is marked by deltaic deposition, particularly prevalent in the Tarakan Sub-basin. Accommodation space for the deposition of the deltaic sediments was created due to a combination of basin subsidence and gravity induced listric faulting. Transpression on wrench faults across the Makassar Strait resulted in the formation of dip orientated arches and inversion features during the uppermost Pliocene which have been successful exploration targets.

There are three major transpressional faults in the Greater Tarakan Basin. The Sempurna Fault to the north acts as the northern boundary of the Tarakan basin with the Sempurna High lying further to the north. The Maruta Fault which acts as a boundary between Tarakan Sub-basin where the northern part of the OM PSC lies, and the Muara Sub-basin where the southern part of the OM PSC lies. The Mangkalihhat Fault to the south acts as the southern bounding fault of the Greater Tarakan Basin. The basin is divided into a shelf area which is characterised by a series of north-south trending extensional faults dipping to the east and a deeper offshore area characterised by compressional faulting.

Figure 5 shows a schematic cross section through the basin and the Northern OM Block.

Figure 4: Tectonic Setting of the OM PSC

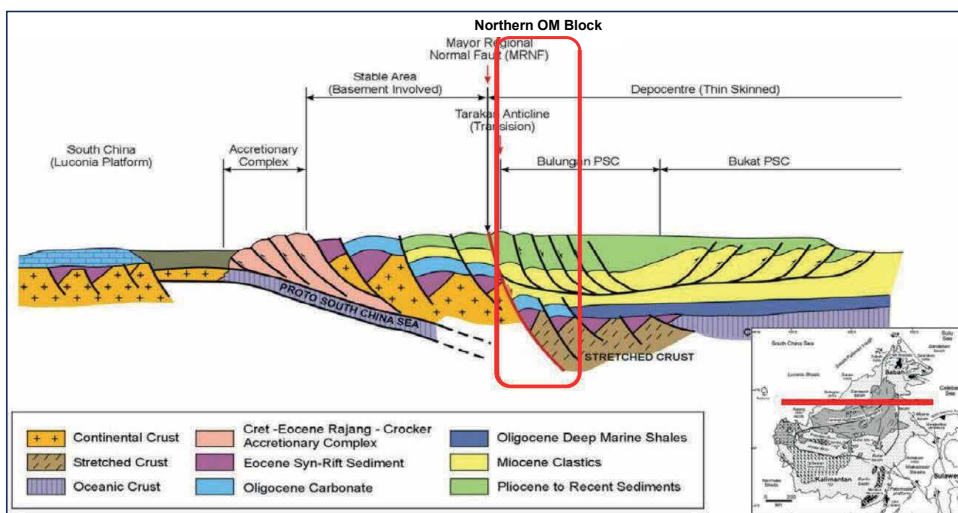


Source: Conrad

Annexure E: Competent Person’s Report for the Offshore Mangkalihat PSC, Indonesia Cont.



Figure 5: Schematic Cross-section through the Northern OM Block



Source: Conrad

2.2 Stratigraphy

The stratigraphy of the Greater Tarakan Basin was initiated with the onset of rifting in the Early Eocene with deposition overlying a metamorphic and faulted igneous basement. Syn-rift deposition consists of the Early-Middle Eocene Sembakung Formation which is formed of sandstones, shales, siltstones and limestones which were deposited in coastal to deep marine environments.

Post-rift deposition is characterised by an initial transgressive phase followed by a regressive succession. The Sajau Formation unconformably overlies the Sembakung Formation and marks the onset of the post-rift transgressive succession. It is formed of shale, sandstones and coals deposited in coastal to shallow marine environments. The overlying Seilor Formation was deposited during the Early Oligocene and is formed of micritic and dolomitic limestone deposited as carbonate mounds surrounded by debris slopes. The limestone may be locally karstified. This is overlain by the Late Oligocene Mangkabua formation formed of marine marls underlying the Late Oligocene - Early Miocene Tempilan Formation which is generally composed of thin bedded sandstones, tuffs, shales and minor coals. The overlying Taballar Formation was deposited during the Early Miocene and developed as a carbonate ramp platform with localised patch reefs. The Taballar is overlain by the Early - Middle Miocene Naintupo Formation which is formed of shales, marls and occasional volcanoclastics. Occurrences of oil and gas in this formation are recorded at the Seberaba-1 well where the Naintupo is formed of argillaceous siltstone, sandstone with minor claystones in an upward fining section.

The Middle Miocene Melait Formation unconformably overlies the Naintupo and is formed of shales, limestones, sandstones and rare coals deposited during the shift from a predominantly transgressive to regressive system. Occurrences of oil and gas in this formation were also recorded at the Seberaba-1 well.



The Tabul formation was deposited during the Middle Miocene and is formed of coarsening upwards interbedded sandstones, siltstones and claystones with limestone stringers near the top of the formation. It was deposited as a coarsening upwards sequence in a tidal flat environment near the base of the formation and grades upwards into amalgamated distributary channels near the top. The overlying Santul Formation was deposited in the Late Miocene and is composed of sandstones, limestones and minor coals. In the deeper offshore, extensive turbidites were deposited as unconfined slope fans and are prospective exploration targets in the deep-water area. The formation is generally absent from onshore wells.

The overlying Tarakan Formation was deposited during the Pliocene and unconformably overlies the Santul. The Tarakan is composed of claystones, sandstones, limestones and coals deposited in a deltaic environment. The sediments extend into the deep-water area where intra-slope channels and channel levee complexes are present. The Tarakan Formation is the main producing formation within the Greater Tarakan basin. The Tarakan is overlain by the Pleistocene Bunyu Formation comprising prograding delta sediments of sandstones, claystones and interbedded coals.

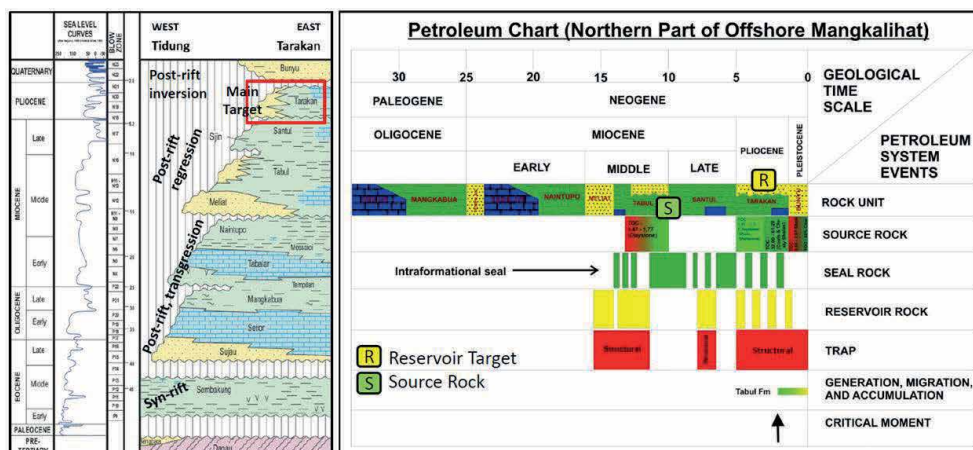
2.3 Petroleum Systems

Exploration in the Tarakan Sub-basin began over 50 years ago and discoveries such as the Bunyu, Tarakan, Badik and West Badik Fields proves a working petroleum system in the OM PSC.

The OM PSC is broadly split into a Northern OM Block which lies within the Tarakan Sub-basin and a Southern OM Block which lies within the Muara Sub-basin. While the tectonic evolution of the two sub-basins is similar, the Southern OM Block tends to be more carbonate rich while the Northern OM Block is more clastic dominated due to the influence of deltaic environments.

A stratigraphic column and petroleum systems elements chart is given for the Northern OM Block in **Figure 6** and for the Southern OM Block in **Figure 7**.

Figure 6: Stratigraphic Column and Petroleum Systems Event Chart for the Northern OM Block

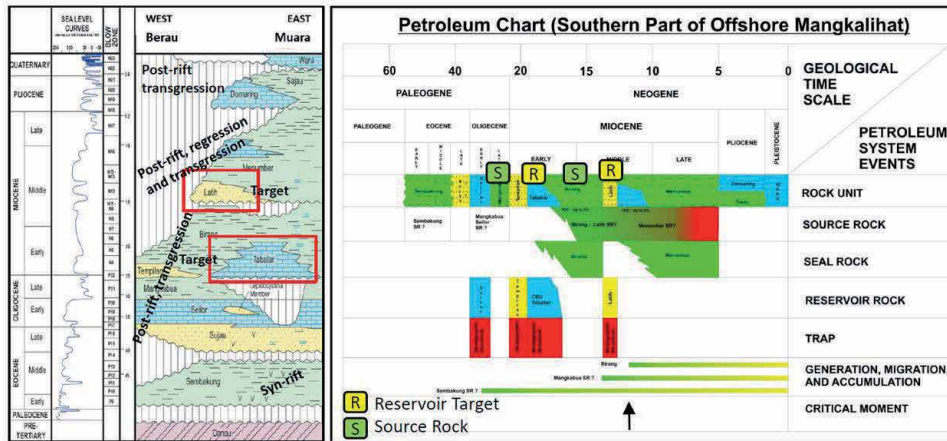


Source: Conrad

Annexure E: Competent Person’s Report for the Offshore Mangkalihat PSC, Indonesia Cont.



Figure 7: Stratigraphic Column and Petroleum Systems Event Chart for the Southern OM Block

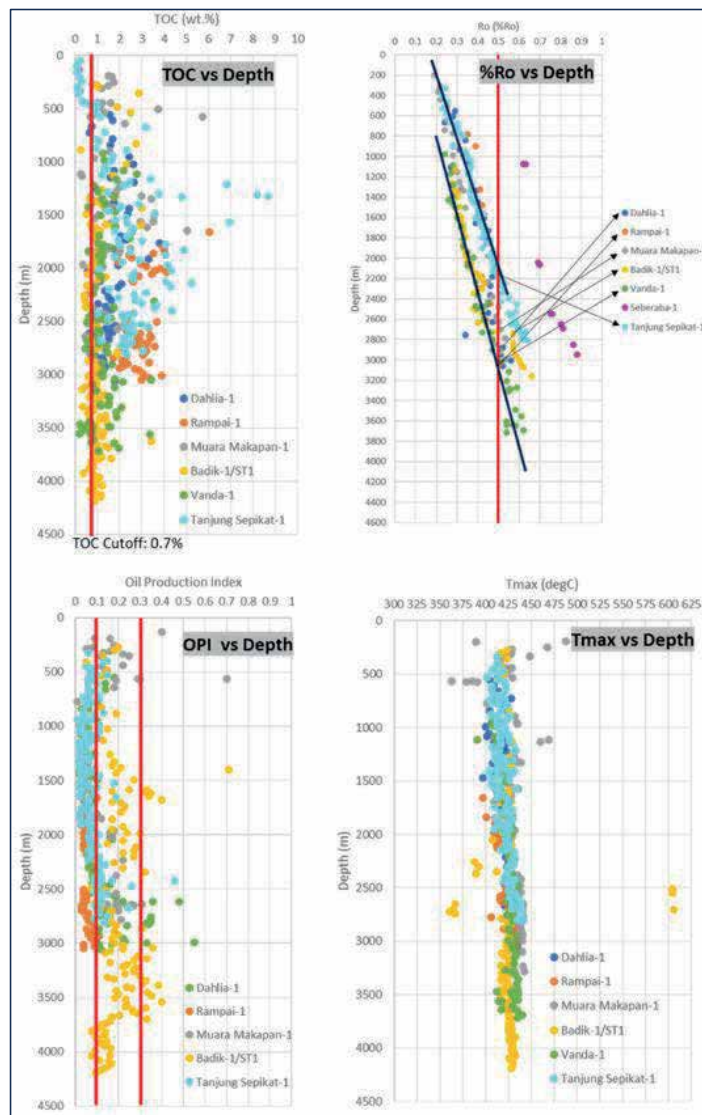


Source: Conrad

2.3.1 Source Rocks

Despite exploration success, uncertainty remains over potential source rocks in the Greater Tarakan Basin. Conrad provided GaffneyCline with geochemistry data (including TOC, Ro, Tmax, OPI and geothermal gradient) from penetrated source rock intervals from seven wells within the basin which have been plotted against depth (**Figure 8**). The TOC vs Depth crossplot shows most of the samples have total organic carbon (TOC) ranges between 0.5-4% with an average of approximately 1%. Vitrinite reflectance (Ro) vs depth crossplots demonstrate most rock samples have Ro of less than 0.7% with the exception of Seberaba-1 which has Ro of 0.88% indicating the penetrated sections are either immature or in the early mature stage. The Tmax vs depth crossplot suggests that most of the tested samples are too thermally immature to generate thermogenic hydrocarbons. The oil production index (OPI) vs depth crossplot show the samples have OPI of less than 0.1-0.3.

Figure 8: Geochemical Overview vs Depth of Seven Wells in the Tarakan Basin



Source: Conrad

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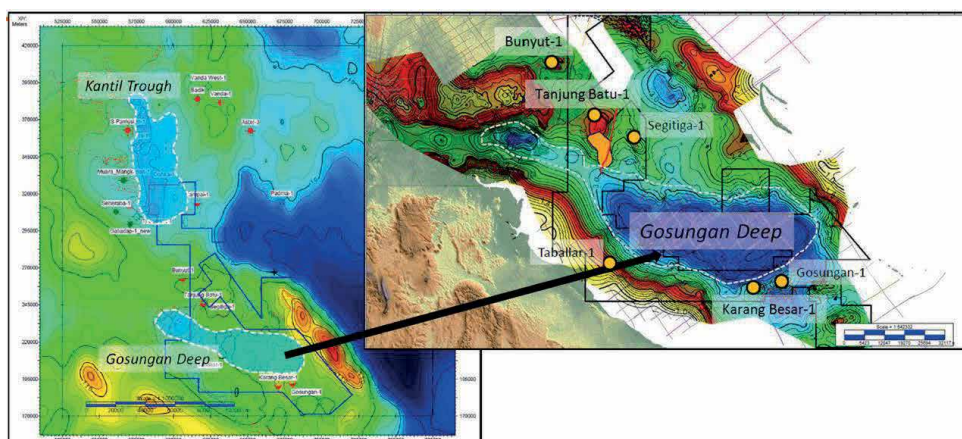
Conrad also provided GaffneyCline with TOC and yield potential (YP) crossplots of the Bunyu, Tarakan, Santul and Melikat Formations representing the Middle Miocene – Pleistocene section of the Greater Tarakan Basin. These suggested that the source rock potential in the Tarakan Basin is fair to good with gas prone kerogen and poor to fair yield potential.

Despite the main source rocks being gas prone, oil accumulations are also present in the basin and fields are often found with a combination of both gas and oil in multiple reservoir intervals (such as Badik and West Badik).

Based on the provided data, the sections penetrated by the wells in the Tarakan Sub-basin are generally immature with the oil-window commencing at Ro 0.6-0.65%. The penetrated sections have fair-good TOC however poor-fair yield potential. Based on oil biomarker analysis reported by Conrad, the source rock is interpreted to be deposited in a terrestrial environment with some influence from estuarine environments.

Based on the source rock data provided, the Ro required to generate oil in the Tarakan Sub-basin is 0.5% whereas most of the section penetrated by the wells reviewed did not encounter Ro's this high. This suggests oil has migrated from a deeper source rock than penetrated in any of the studied wells. Regional seismic lines show the presence of a structural low in the Tarakan Sub-basin, the Kantil Trough which is interpreted as the likely source kitchen for the Badik and West Badik Fields. In the south, the Gosungan Deep is a possible source rock kitchen for the Southern OM Block which is supported by hydrocarbon shows in the Bunyut-1, Tanjung Batu-1 and Karang Besar-1 wells. **Figure 9** shows a regional depth map highlighting the two likely source rock kitchen areas for the OM PSC.

Figure 9: Possible Source Rock Kitchen Areas for the OM PSC



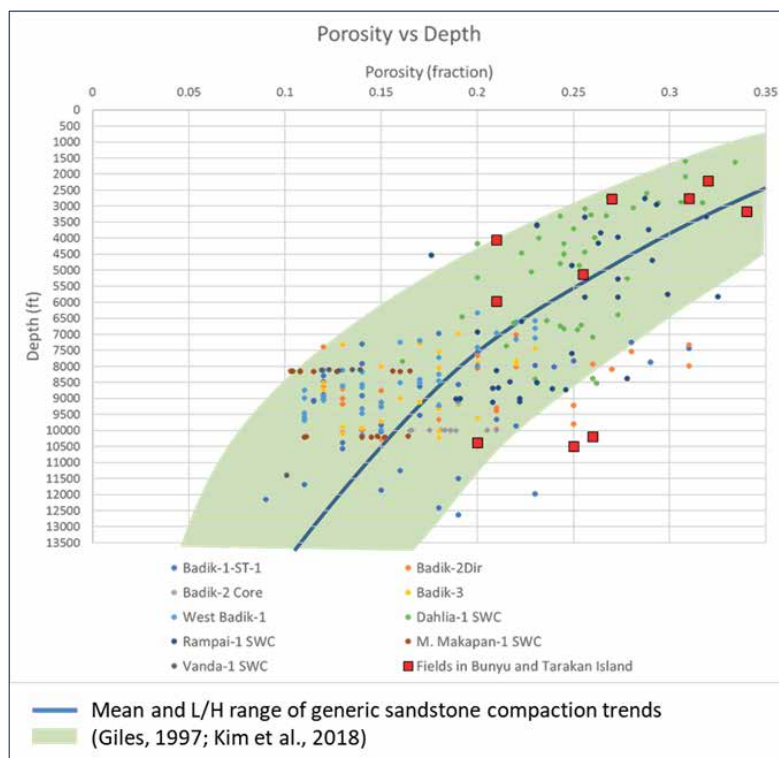
Source: Conrad

2.3.2 Reservoirs

The primary reservoirs in most discoveries in the Tarakan Sub-basin are the sandstones of the Pliocene Tarakan Formation. The Tarakan Formation was deposited in a fluvial-deltaic environment and reaches 3,000 m in thickness. The deposition of the Tarakan Formation is interpreted to have occurred when a major regression was followed by rapid transgression in the early Pliocene resulting in a highstand system which caused the palaeo-Sesayap river to back up and deposit large volumes of siliciclastic material in a braided river environment.

Discoveries have generally been found in distributary mouth bar sands and tidal bar sands. Reservoirs are thin, from less than 1 m, to approximately 10 m and the sands are found in stacked channel systems which may shale out both laterally and vertically within short distances. Discoveries such as Badik and West Badik demonstrate hydrocarbons being discovered in multiple stacked channels. Channel thickness is often below seismic resolution meaning the total net sand thickness in any potential prospect is a large uncertainty. Reservoir quality of the sands is generally good and is strongly correlated with depth of burial. **Figure 10** shows a porosity versus depth plot for several discoveries in the basin and demonstrates this relationship.

Figure 10: Porosity Versus Depth Relationship of Discoveries in the Tarakan Basin



Source: Conrad

Annexure E: Competent Person's Report for the Offshore Mangkalihat PSC, Indonesia Cont.

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No discoveries have been made in the Muara Sub-basin; however, potential reservoir targets include shallow shelf carbonates in the Pliocene Domering Formation, turbidite sands in the Early Miocene Miocene Birang Formation, slope channel complexes in the Middle Miocene Litih Formation or carbonate buildups in the Ealy Miocene Taballar Formation.

2.3.3 Seals

In the Northern OM Block, the Pleistocene Bunyu Formation, formed largely of shales and clays is considered as a regional seal in the Tarakan Basin. However, the majority of traps are sealed by intraformational seals within the Tarakan Formation resulting from minor sea-level fluctuations or the shaling out of sands within the braided river environment.

In the Southern OM Block potential seals are dominated by overlying shales resulting from minor sea level changes.

2.3.4 Traps

There are various trap models within the discoveries made to date in the Tarakan Sub-basin with the most common related to rollover against the footwall of a normal fault as a result of inversion as seen in Bunyu, West Badik and Parang Fields. Due to the depositional nature of the Tarakan Formation, it is likely some traps may also have a stratigraphic element to the trapping mechanism.

In the Maura Sub-basin, similar rollover traps exist but these are supplemented with additional trapping mechanisms including stratigraphic traps and large four-way dip closed traps which have developed on structural highs.

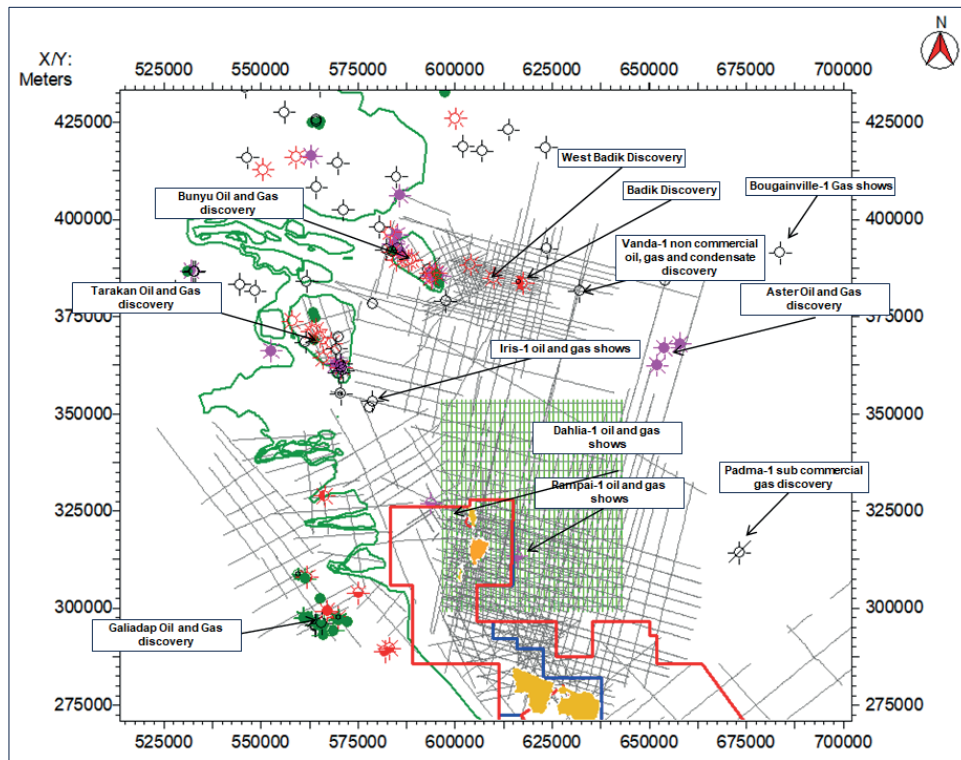
3 Regional Exploration and Analogues

Exploration of the Greater Tarakan Basin began over fifty years ago. Most discoveries have been made either onshore or in the offshore of the Tarakan Sub-basin.

Offshore discoveries include the Badik and West Badik Fields which found oil and gas in stacked Pliocene sands of the Tarakan Formation as well as in the deeper Miocene Tabul Formation. The traps are formed of fault dependant anticlines. Hydrocarbons were likely generated in the Kantil Trough and charged the structures through a combination of lateral migration through carrier beds and vertical migration via faults. In Badik, a total of 14 gas sands and 3 oil sands are reported with 10 gas sands and 2 oil sands being reported in West Badik. The fields are considered as analogues to the prospects identified in the Northern OM Block.

Figure 11 gives a partial summary of discoveries in the Tarakan Sub-basin.

Figure 11: Overview of Tarakan Sub-basin Discoveries

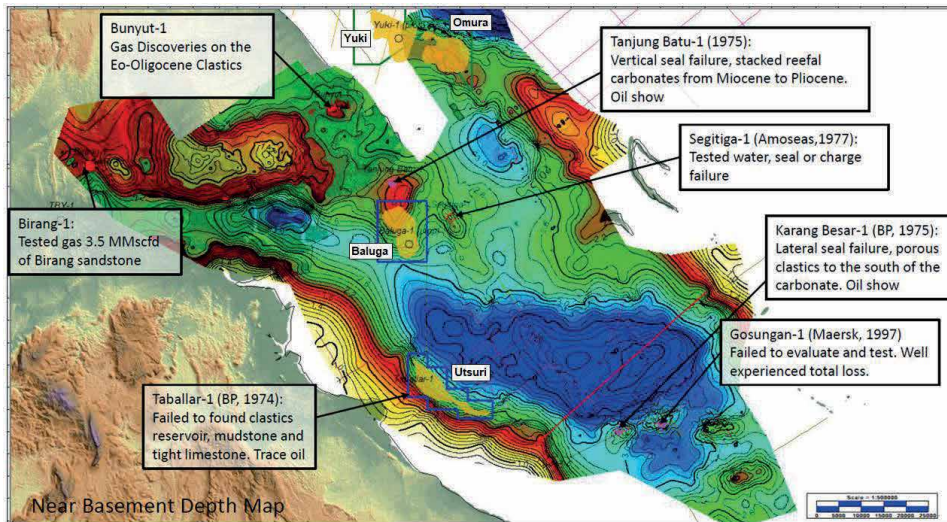


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To date there have been no discoveries in the offshore of the Muara Sub-basin; however, several wells have oil and/or gas shows. Reasons for failure vary but include lack of charge, lack of seal and lack of reservoir, particularly in more distal targets. **Figure 12** shows the wells drilled in the Muara Sub-basin and summarises the reasons for failure where no discovery was made. Two discoveries have been made in the onshore section of the Maura Sub-basin at Birang-1 and Bunyut-1- both discoveries were gas discoveries.

Figure 12: Summary of Muara Sub-basin Well Results



Source: Conrad

4 Geophysics

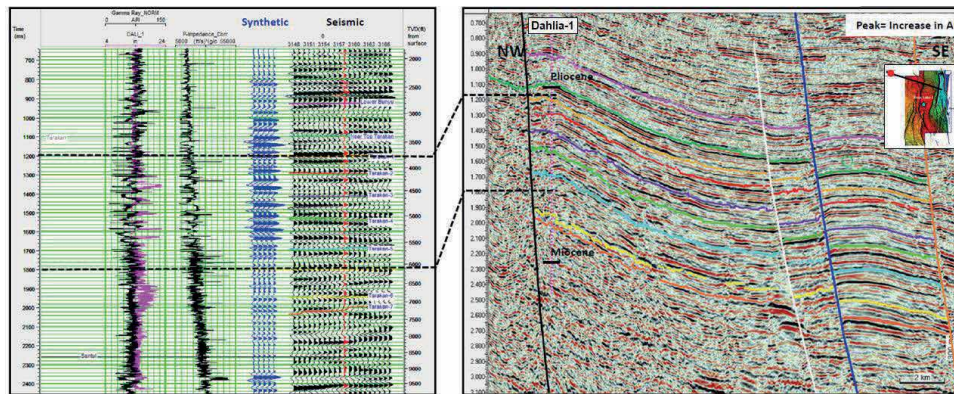
4.1 Data set

GaffneyCline was provided with a Kingdom project which contained various seismic data including a 2,600 km² 3D seismic survey which partially covers the Northern OM Block and numerous 2D seismic lines of vintages varying from the 1970s to recent. Data quality of the seismic varies considerably between the different surveys. GaffneyCline was also provided with Conrad's horizon and fault interpretations and grids in both time and depth.

4.2 Well Tie

Conrad provided synthetic seismograms for the Rampai-1 and Dahlia-1 wells which lie within the 3D seismic area. The synthetics show an increase in Acoustic Impedance is recorded as a peak (positive amplitude). Conrad has picked the reservoir intervals on troughs, corresponding to a decrease in acoustic impedance. The nature of the Tarakan sands means that individual sand intervals are below seismic resolution and surfaces have been picked as markers in order to estimate closure extent. The seismic to well tie for the Dahlia-1 well is shown in **Figure 13** and shows a reasonable match between the synthetic trace and the seismic data.

Figure 13: Well to Seismic Tie for the Dahlia-1 Well



Source: Conrad

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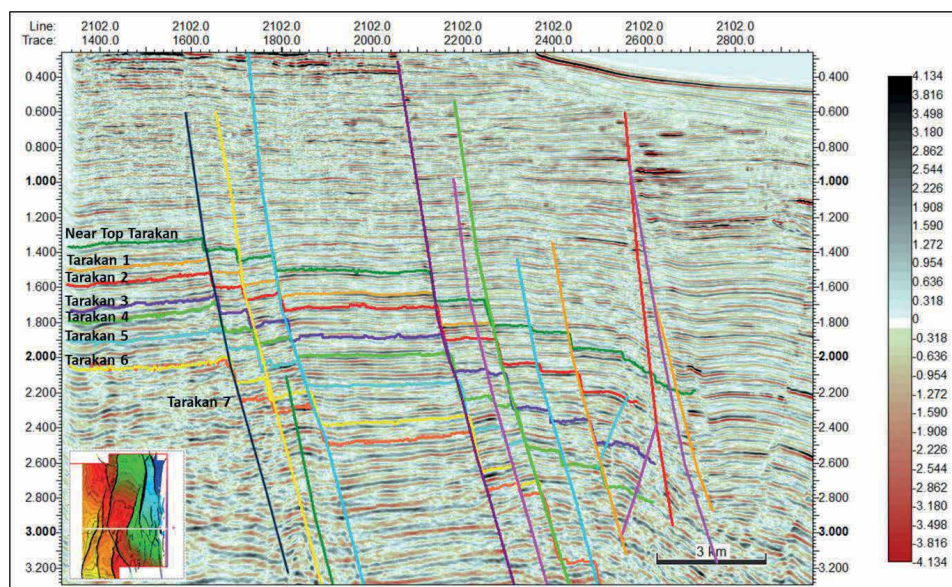
4.3 Seismic Interpretation

GaffneyCline reviewed the seismic interpretation provided by Conrad which included the interpretation of multiple Tarakan intervals in the Northern OM Block and key reservoir intervals in the Southern OM Block.

The primary database used in the Northern OM Block is the 3D seismic survey. Seismic data is of fair to good quality enabling seismic reflectors, faults and structures to be clearly mapped beyond the depth of the Tarakan reservoir. Reflectors are laterally continuous and the intra Tarakan sands have been picked on troughs. In general, the Conrad interpretation is good and while alternative interpretations may be possible, particularly across faults, the interpretation is sufficient for the calculation of reservoir closures. **Figure 14** shows a seismic section across the Northern OM Block and demonstrates Conrad's Tarakan reservoir and fault interpretations.

The interpretation of the Southern OM block has more uncertainty as it is carried out on 2D seismic data with varying spacing. Data quality also varies significantly from poor to good. Conrad's interpretation was reviewed and was found to be reasonable for the estimation of closure areas however alternative interpretations are possible. The seismic coverage and mapping of structures in the Southern OM Block is discussed further in **Section 7**.

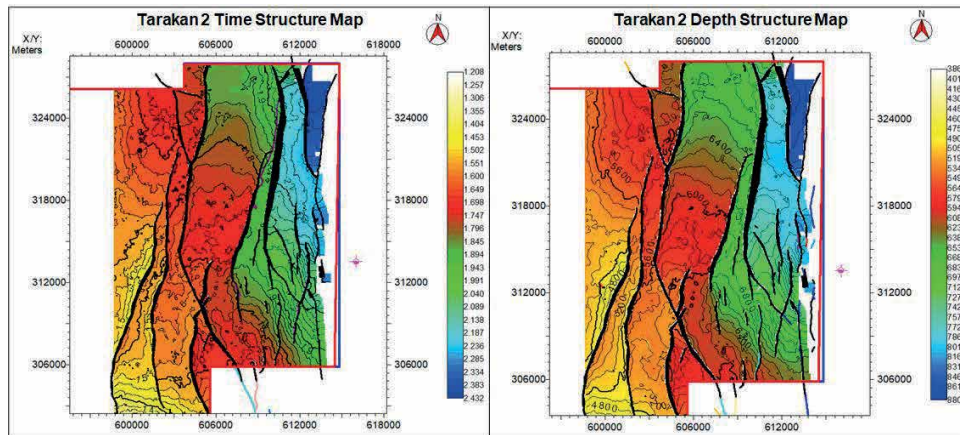
Figure 14: West – East Seismic Cross-section across the Northern OM Block



4.4 Depth Conversion

GaffneyCline was provided with grids of the main reservoir intervals in both time and depth. Conrad has carried out a time depth conversion using a polynomial equation generated from the time-depth relationships at the Badik-1ST1 and Dahlia-1 wells. GaffneyCline has not carried out an independent depth conversion. Using a polynomial equation is a reasonably simple depth conversion technique but GaffneyCline considers it sufficient to estimate closure areas to be used in volume estimates. A comparison of the time and depth surfaces provided was done to ensure the depth surfaces honoured the structures seen in time (Figure 15).

Figure 15: Comparison of Tarakan 2 Time and Depth Structure Maps



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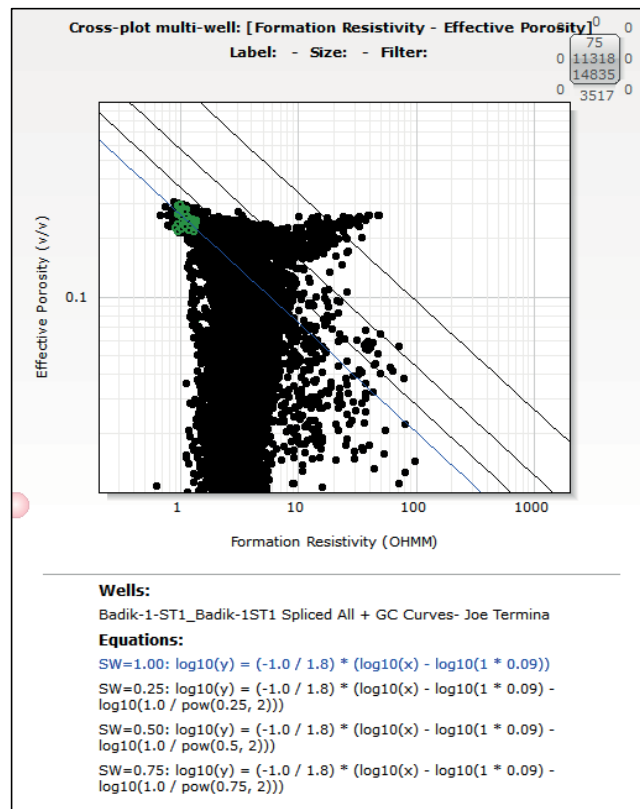


5 Petrophysics

Log data were provided by Conrad in LAS format containing the raw and interpreted log data for Badik-1ST. The log database comprised standard resolution logs including gamma ray, resistivity, neutron, density and sonic. Log quality was average to good, with minor washout intervals observed.

GaffneyCline performed an independent deterministic petrophysical analysis on the Badik-1ST well, evaluating a volume of shale (Vsh) using both the gamma ray method and the neutron-density combination, with a final Vsh curve calculated using the minimum method of the two derived logs. Total and effective porosity was estimated using the density log and water saturation derived from the Indonesia equation. This saturation model was used in order to account for the conductivity in the reservoir due to the presence of clay minerals. No SCAL data are available, therefore Archie exponents were assumed as $m = 1.8$ and $n = 2.0$. Formation water salinity was estimated from Pickett plot analysis, using clean, water-bearing intervals in Badik-1ST (**Figure 16**). A clean water line was established with an Rwa of 0.09 ohm.m at reservoir temperature of 206 deg F, equating to a salinity of ~ 24,000 ppm NaCl eqv.

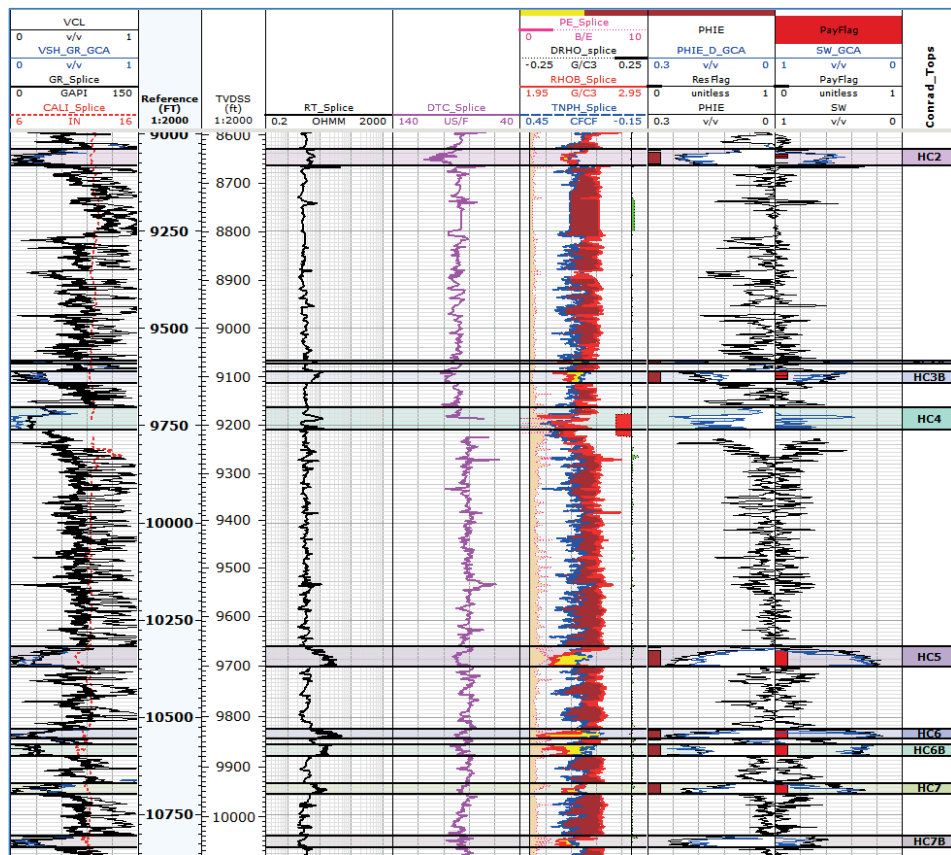
Figure 16: Pickett Plot, Badik-1ST





At the well level, Conrad’s interpretation appears reasonable, although some gas-bearing intervals appear to have porosities that are on the high-side, possibly due to a lack of/differing hydrocarbon correction (e.g. zone HC5) (Figure 17 – track 1: Vsh, track 7: PHIE, track 8: Sw – black curves = Conrad, blue curves = GaffneyCline).

Figure 17: Badik-1ST CPI



Based on GaffneyCline’s review, petrophysical sums and averages have been run using the petrophysical zonations tabulated in the kick-off presentation material using the cut-off parameters referenced by Conrad. Average porosity of approximately 0.18 v/v is observed, with average water saturation of ~0.55 v/v, although as low as 0.30 v/v on average in the better-quality reservoirs (HC6 / HC6B). In general, good agreement is observed in the shallower reservoir intervals (HC2 to HC7); however, GaffneyCline calculate less net pay overall in the deeper intervals (HC10 A to G). Overall, summed net pay thickness of Badik-1ST is up to 145 ft, which is in-line with the assumed net thickness which Conrad has used in its volumetric estimates for the Northern OM Block prospects.

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6 Volume Assessment Methodology

6.1 Volume Estimate

GaffneyCline has reviewed the dataset provided in order to undertake an independent assessment of the in-place volumes and Prospective Resources for the various prospects and leads identified by Conrad. In order to estimate hydrocarbon volumes, GaffneyCline has used the verified Conrad depth surfaces and GaffneyCline's own interpretation of reasonable P90, P50 and P10 closure areas to calculate the gross rock volume (GRV) for each reservoir interval.

GaffneyCline has reviewed the well data provided and has done an independent petrophysical interpretation of the Badik-1ST1 well in order to verify the reservoir parameters Conrad has used in its volume estimate. Where GaffneyCline has agreed with these, they have been accepted and used in the volumetric calculations. Where GaffneyCline has not agreed with parameters used by Conrad, GaffneyCline has used the dataset provided together with regional and analogue data to form its own opinion of reasonable reservoir parameters.

The volumetric estimates have been calculated using a 1D Monte Carlo probabilistic model. Where there is potential of multiple stacked reservoirs within a prospect, GaffneyCline has paid particular attention to the total net sand thickness and its reasonableness compared to analogue discoveries within the basin. In these instances, GaffneyCline has incorporated the number of successful reservoir sands into the probabilistic model.

6.2 Hydrocarbon Phase

No discoveries have yet been made in the OM PSC. Several wells have been drilled on block which have had both oil and gas shows and discoveries within the Greater Tarakan Basin, including the Badik and West Badik Fields, have found multiple reservoir intervals with both oil and gas present. The regional trend however is for gas and in the Badik and West Badik Fields, more reservoirs are gas charged than oil charged. Due to the uncertainty in likely hydrocarbon phase, GaffneyCline has estimated both an oil case and a gas case for each of the prospects and leads. Note that the volumes estimated are mutually exclusive and are calculated on an either/or basis. Regional data indicates that a gas discovery is more likely than an oil discovery. Due to the nature of the stacked reservoirs in prospects in the Northern OM Block, it is possible a combination of both oil and gas will be present.

6.3 Geological Chance of Success

For each of the prospects and leads, GaffneyCline has estimated a GCoS based on the chance of finding a hydrocarbon volume according to PRMS discovery criteria. The estimation of the GCoS uses a matrix approach for each of four factors:

- Trap and Seal
- Reservoir presence and quality
- Hydrocarbon source (presence, quality, maturity and migration)
- Geological timing

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The overall GCoS is estimated by the multiplication of the specific values from each of the four factors. The GCoS estimate helps to provide a numerical ranking system of the prospects and leads and highlights the most significant risk of each. In doing this it is possible to identify areas where more analysis or a better understanding may help to de-risk a prospect or lead.

6.4 Chance of Development (CoD)

The Chance of Development assesses the chance that a discovered hydrocarbon accumulation will be commercially developed. As such, CoD is an additional risk to the chance of discovery or GCoS.

The CoD depends on factors such as the quantity and type of discovered hydrocarbons, access to market, the commercial and regulatory environment at the time of discovery, the Operator (and any partners) willingness to invest, as well as the maturity of subsurface understanding of the discovery. As such, the CoD is highly dependent on external factors current at the time of discovery, and so can only be estimated in very general terms at present.

In general, GaffneyCline assess the CoD of an oil discovery larger than 50 MMBbl in this region as “Medium” to “High”. Indonesia has long experience with the development of small, offshore oil discoveries and there is a developed and experienced oilfield services and regulatory sector.

Gas discoveries will be more challenging to develop. The basin is distant from the existing LNG plant at Badak, and local gas markets are small or non-existent. In general terms, GaffneyCline assesses the CoD of a gas discovery below 1 Tcf in this area as “Low”.

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7 OM PSC Prospects and Leads

7.1 Overview

Conrad has identified several prospects and leads within the OM PSC. GaffneyCline has reviewed seven which include the Labu, Pare and Pinang Prospects in the Northern OM Block and the Beluga, Utsuri, Yuki and Omura Leads in the Southern OM Block (**Figure 2**).

Prospects and leads identified in the Northern OM Block are formed of fault dependent structural traps which target Pliocene aged deltaic Tarakan sandstones which were deposited in braided fluvial channels and are analogous to the Badik and West Badik Fields to the north. Reservoirs tend to be stacked and any discovery is likely to consist of multiple, thin-bedded reservoirs, interbedded by shales. Due to the nature of the depositional environment, it is possible a stratigraphic trapping mechanism is also present with the sand shaling out laterally. The structures identified in the Northern OM Block are covered by 3D seismic data and can be clearly mapped; as such, they are considered to be prospects. GaffneyCline has reviewed three prospects in the Northern OM Block; however, should any of these be successful, additional traps are present which could also be targeted by future wells.

Structures identified in the Southern OM Block are covered by 2D data of varying vintages and are not as well-defined. Targets include large four-way dip closures formed on basin highs and stratigraphic traps formed in channel slope systems. Reservoirs targets are Miocene in age consisting of both carbonates and clastics. GaffneyCline considers the structures in the Southern OM Block to be leads which require further review and likely seismic acquisition before being considered drillable prospects.

7.2 Labu Prospect

The Labu Prospect is located in the north of the Northern OM Block together with a cluster of fault related prospects.

The primary reservoir targets for the Labu Prospect are the stacked deltaic sands of the Pliocene Tarakan Formation. Conrad provided interpretations for eight potential reservoir intervals which have been picked on seismic troughs. Amplitude responses for the horizons are generally low with good lateral continuity and parallel reflectors. Amplitude extractions for the reservoir intervals do not show any amplitude anomaly however this is also reported for the Badik discovery.

The trap for the Labu Prospect is heavily fault dependent and requires the joining and coalescing of one large SSE-WNW trending fault and a second smaller N-S trending fault. There is significant throw across the faults. The Labu Prospect lies at the junction of these faults and is wedge shaped with fault closure required to the west, south and east. The prospect is dip closed to the north.

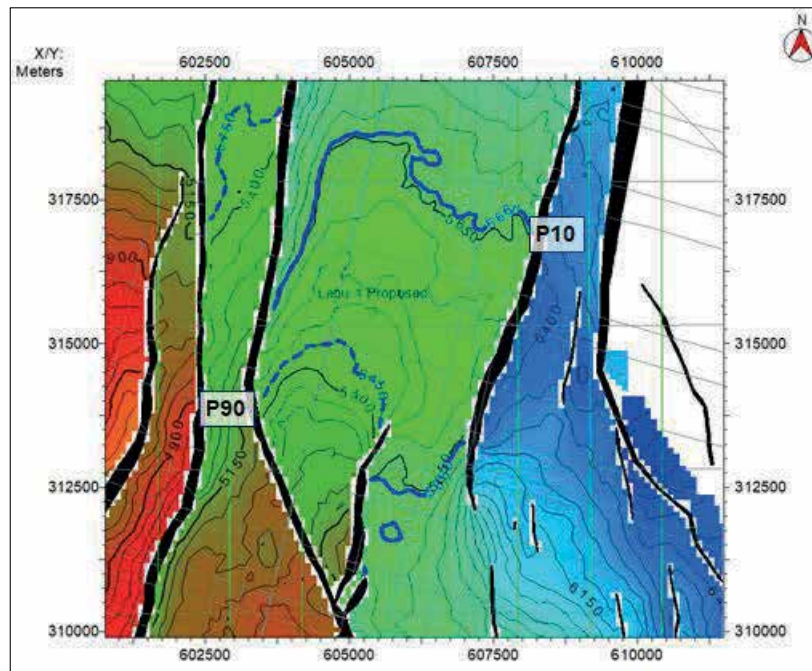
Possible sources for the prospect include the Pliocene located in the Kantil Trough to the north or the Miocene in the interval beneath the prospect. Migration from the Kantil Trough would require lateral and vertical migration of hydrocarbons. Migration from the deeper Miocene section would require vertical migration via faults.

To seal the prospect both intraformational seals are required to seal the individual reservoir intervals and fault seal is required at the faults resulting from either juxtaposition with non-reservoir rocks or a damage zone in the faults.

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GaffneyCline has reviewed the reservoir interpretations provided by Conrad and has independently calculated closures for each one. GaffneyCline's closures are based on a P90 which uses the tip of the eastern bounding fault and a P10 which is taken at the lowest closing contour (LCC). The P10 requires closure from an additional NNE-WNW trending fault to the east. These two closures have been used to calculate the areal extent of the reservoir. A P50 has then been calculated between the P90 and P10 using a lognormal distribution. **Figure 18** shows a Top Tarakan 1 depth map together with GaffneyCline's P90 and P10 closures while **Figure 19** shows a seismic cross section through the prospect.

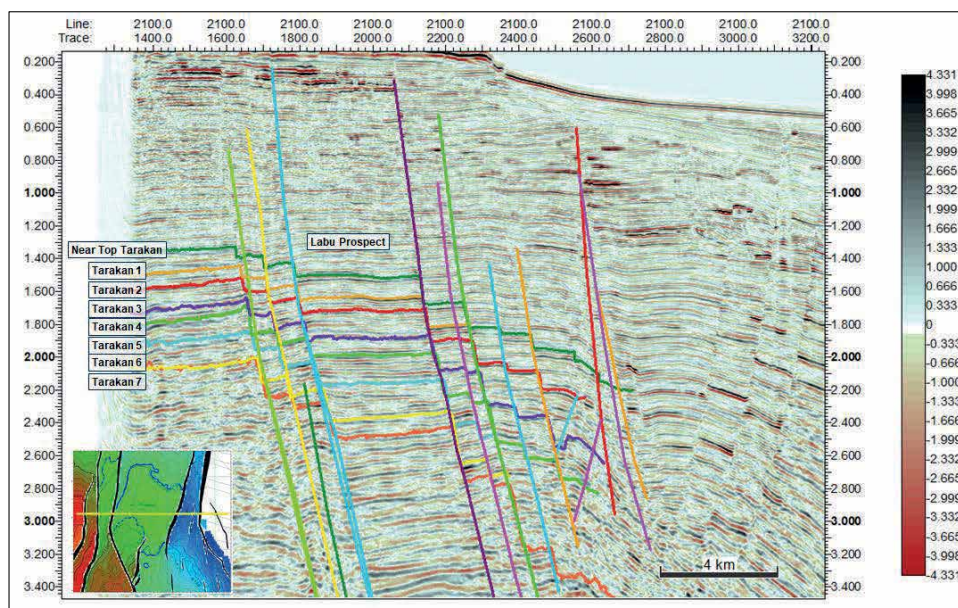
Figure 18: Top Tarakan 1 Depth Map of the Labu Prospect



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Figure 19: Seismic Cross-section of the Labu Prospect



A key uncertainty in the prospect is the total net sand thickness. The stacked nature of the reservoirs mean it is possible for multiple reservoir intervals to hold hydrocarbons as demonstrated by the Badik and West Badik analogues. In order to quantify possible thicknesses, GaffneyCline has used the Badik-1ST1 well and has estimated the total net sand thickness penetrated by the well. The summed net pay thickness for the well over a total of fourteen reservoir intervals is ~41 m. For its volume estimate in the Labu Prospect therefore, GaffneyCline has incorporated eight possible reservoirs each with a P50 net thickness of 5.2 m for a total P50 net sand thickness of 41 m. GaffneyCline has also incorporated a reservoir count into the calculation of 4 – 8 successful reservoir units. These have been incorporated into the Monte Carlo model using a discreet distribution each with an equal weighting.

The Operator's forward exploration plan for Labu includes preparations for, and scheduling of, the Labu-1 exploration well.

GaffneyCline has reviewed the well data provided and has done an independent petrophysical interpretation of the Badik-1ST1 well in order to verify the reservoir parameters Conrad has used in its volume estimate. Where GaffneyCline has agreed with these, they have been accepted and used in the volumetric calculations. Where GaffneyCline has not agreed with parameters used by Conrad, GaffneyCline has used the dataset provided together with regional and analogue data to form its own opinion of reasonable reservoir parameters.



Due to the uncertainty in likely hydrocarbon phase, both an oil case and a gas case has been estimated for each of the prospects and leads. Note that the volumes calculated are mutually exclusive and are calculated on an either/or basis. Regional data indicates that a gas discovery is more likely than an oil discovery. Due to the nature of the stacked reservoirs in prospects in the Northern OM Block, it is possible a combination of both oil and gas will be present.

GaffneyCline has reviewed the main risks for the Labu Prospect to estimate a GCoS. Reservoir presence and effectiveness is relatively low risk with the Tarakan Formation being penetrated in multiple wells in the basin. The presence of a mature source rock has been proven in the basin; however, distance of the prospect from known source kitchens means that source migration and charge of the prospect is a high risk. The trap is also considered a high risk and in particular the cross-fault seal with the structure relying on at least two faults to be sealing for it to be successful.

GaffneyCline's estimates of GIIP and STOIP for the Labu Prospect, together with its estimate of GCoS are given in **Table 2**.

Table 2: GaffneyCline's In-Place Estimate for the Labu Prospect and the Associated GCoS

Prospect	GIIP (Bscf)			STOIP (MMBbl)			GCoS (%)
	P90	P50	P10	P90	P50	P10	
Labu	163.1	354.2	879.9	110.3	239.6	593.2	22

Notes:

1. There is uncertainty over hydrocarbon phase, consequently both an oil case and a gas case have been calculated. Volumes are mutually exclusive.
2. Given the regional tendency for gas, GaffneyCline believes a gas discovery is more likely.

7.3 Pare Prospect

The Pare Prospect lies approximately seven kilometres to the north of the Labu Prospect and is formed of an analogous fault dependant structure. As with the Labu Prospect, the west, south and east of the structure require fault closure while the north is dip closed. The closure requires two faults to join and coalesce in order to form a successful trap. Throw across the faults is significant.

The prospect targets the stacked deltaic sands of the Tarakan Formation. GaffneyCline's review of the reservoir interpretations provided by Conrad shows amplitude responses are generally low with good lateral continuity and parallel reflectors. Amplitude extractions for the reservoir intervals do not show any amplitude anomalies.

Possible source rocks include Pliocene deposits in the Kantil Trough to the north or the Miocene interval beneath the prospect. Migration from the Kantil Trough would require lateral and vertical migration of hydrocarbons. Migration from the deeper Miocene section would require vertical migration via faults.

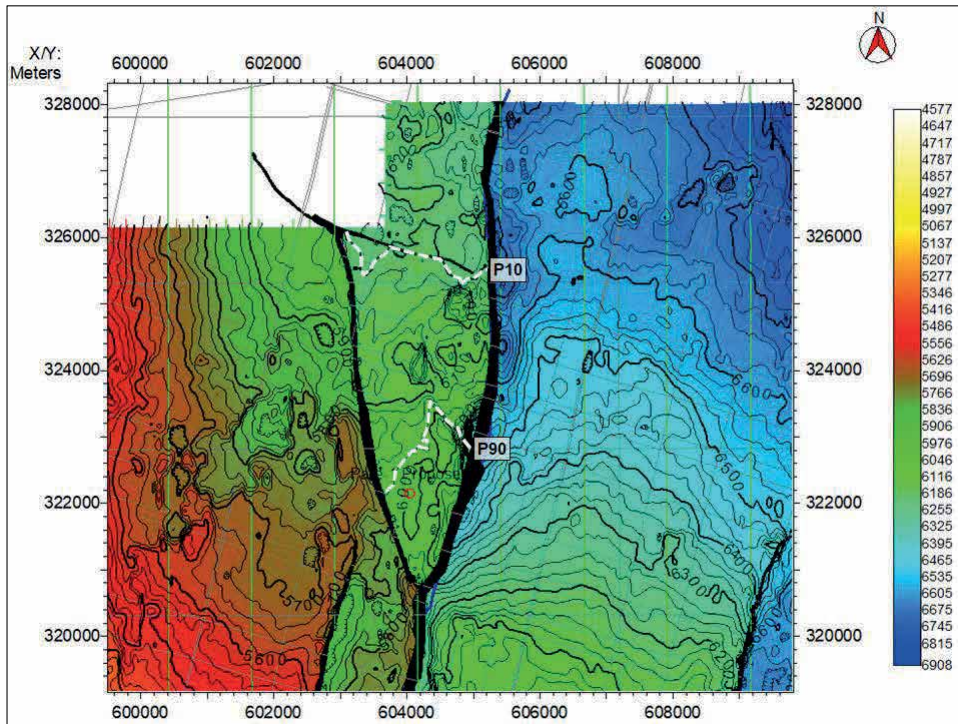
To seal the prospect both intraformational seals are required to seal the individual reservoir intervals and fault seal is required at the faults resulting either from juxtaposition with non-reservoir rocks or a damage zone in the faults.

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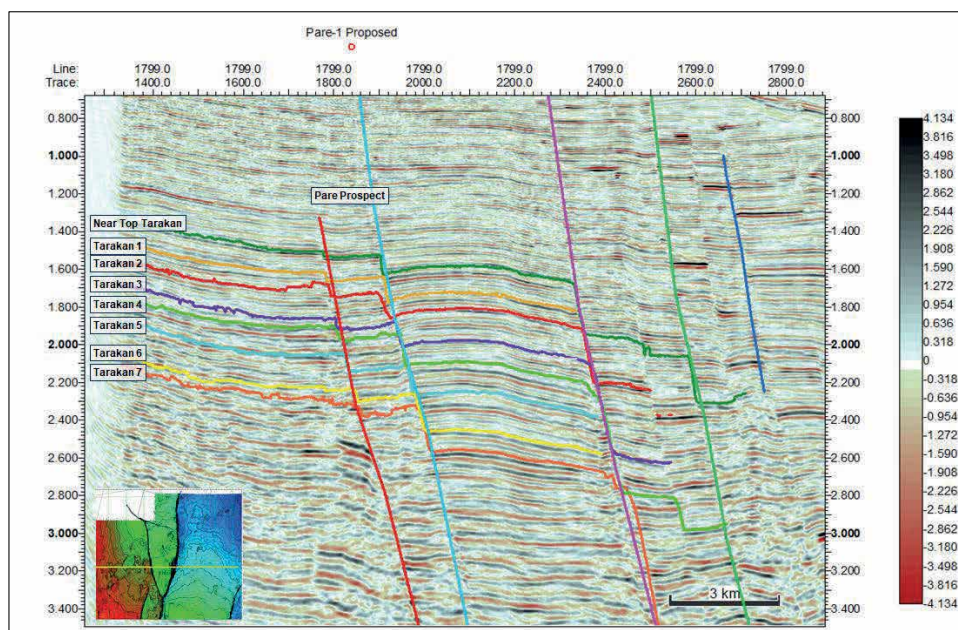
GaffneyCline has reviewed the reservoir interpretations provided by Conrad and has independently calculated reservoir closures for each of eight reservoir intervals. GaffneyCline’s closures are based on a conservative P90 closure and a P10 which is taken at LCC. These two closures have been used to calculate the areal extent of the closure. A P50 has then been calculated using a lognormal distribution. **Figure 20** shows a Top Tarakan 2 depth map together with GaffneyCline’s P90 and P10 closures while **Figure 21** shows a seismic cross section through the prospect.

Figure 20: Top Tarakan 2 Depth Map of the Pare Prospect



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Figure 21: Seismic Cross-section of the Pare Prospect



In estimating reservoir parameters, the same methodology was used as with the Labu prospect and has incorporated eight possible reservoirs each with a P50 net thickness of 5.2 m for a total P50 net sand thickness of 41m. A reservoir count of 4 – 8 successful reservoir units was incorporated into assessment.

Due to the uncertainty in likely hydrocarbon phase, both an oil case and a gas case was estimated for each of the prospects and leads. Note that the volumes calculated are mutually exclusive and are calculated on an either/or basis. Regional data indicates that a gas discovery is more likely than an oil discovery. Due to the nature of the stacked reservoirs in prospects in the Northern OM Block, it is possible a combination of both oil and gas will be present.

GaffneyCline has reviewed the main risks for the Pare Prospect to estimate a GCoS. Reservoir presence and effectiveness is relatively low risk within the basin. The presence of a mature source rock has been proven in the basin; however, distance of the prospect from known source kitchens means that source migration and charge of the prospect are high risks. However, of the prospects identified, the Pare Prospect is the closest to the Kantil Trough. The trap is also considered a high risk and in particular the cross-fault seal with the structure relying on at least two faults to be sealing for it to be successful.

GaffneyCline's estimates of GIIP and STOIP for the Pare Prospect, together with its estimate of GCoS are given in **Table 3**.

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Table 3: GaffneyCline's In-Place Estimate for the Pare Prospect and the Associated GCoS

Prospect	GIIP (Bscf)			STOIIP (MMBbl)			GCoS (%)
	P90	P50	P10	P90	P50	P10	
Pare	45.0	99.8	236.6	30.7	68.1	161.6	25

Notes:

1. There is uncertainty over hydrocarbon phase, consequently both an oil case and a gas case have been calculated. Volumes are mutually exclusive.
2. Given the regional tendency for gas, GaffneyCline believes a gas discovery is more likely.

7.4 Pinang Prospect

The Pinang Prospect lies approximately six kilometres to the southwest of the Labu Prospect and is formed of a N-S trending faulted anticline. Fault closure is required to the east while the structure is dip closed to the south, west and north.

The prospect targets the stacked deltaic sands of the Tarakan Formation. GaffneyCline's review of the reservoir interpretations provided by Conrad shows amplitude responses are generally low with good lateral continuity and parallel reflectors. Amplitude extractions for the reservoir intervals do not show any amplitude anomalies.

Possible source rocks include Pliocene deposits in the Kantil Trough to the north or the Miocene interval beneath the prospect. Migration from the Kantil Trough would require lateral and vertical migration of hydrocarbons. Migration from the deeper Miocene section would require vertical migration via faults.

To seal the prospect both intraformational seals are required to seal the individual reservoir intervals and fault seal is required to the east resulting either from juxtaposition with non-reservoir rocks or a damage zone in the faults.

GaffneyCline has reviewed the reservoir interpretations provided by Conrad and has independently calculated closures for each of seven reservoir intervals. GaffneyCline's closures are based on a conservative P90 closure and a P10 which is taken at LCC. These two closures have been used to calculate the areal extent of the reservoir. A P50 has then been calculated using a lognormal distribution. **Figure 22** shows a Top Tarakan 2 depth map together with GaffneyCline's P90 and P10 closures while **Figure 23** shows a seismic cross section through the prospect.



Figure 22: Top Tarakan 2 Depth Map of the Pinang Prospect

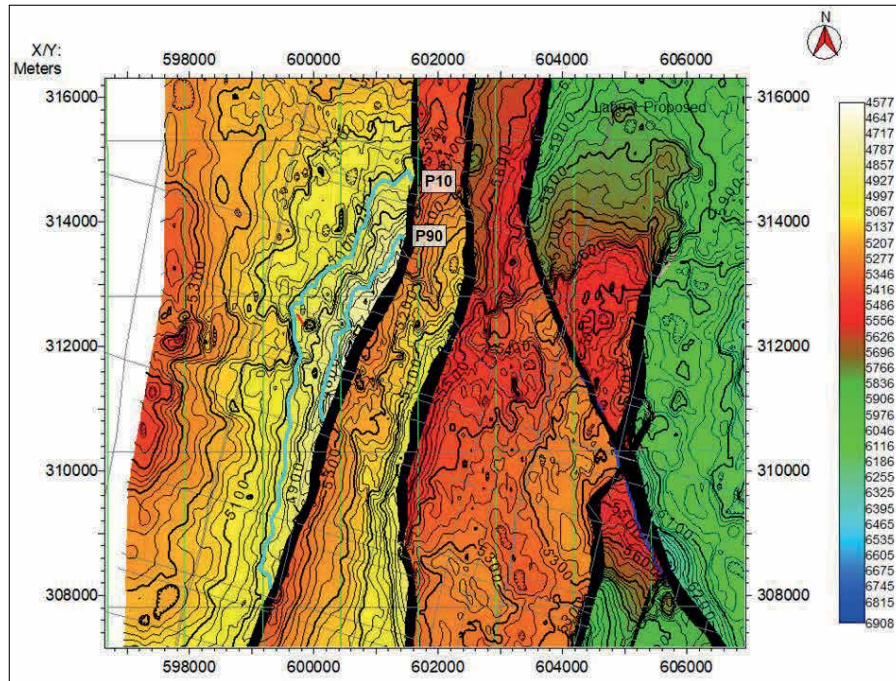
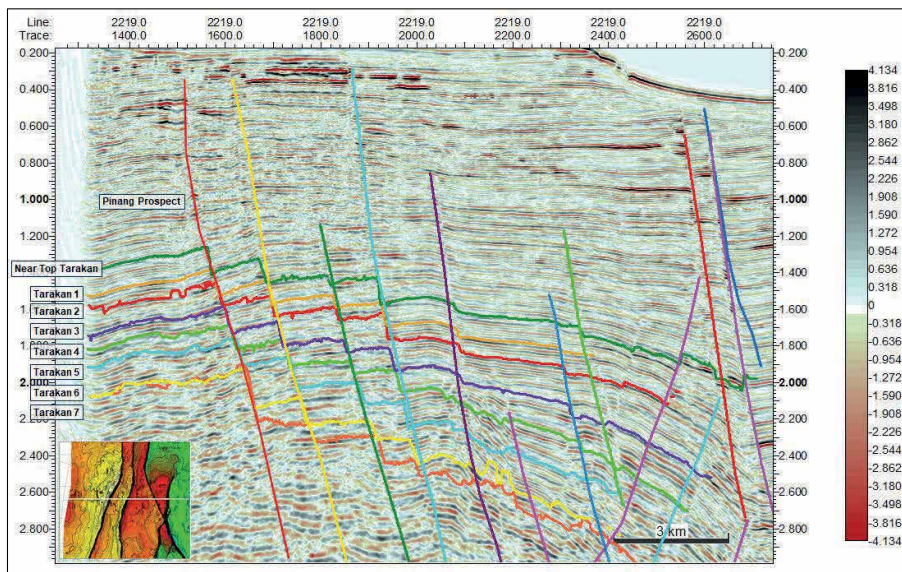


Figure 23: Seismic Cross-section of the Pinang Prospect



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In determining reservoir parameters, the same methodology was used as with the Labu and Pare Prospects and has incorporated seven possible reservoirs, each with a P50 net thickness of 5.2 m. GaffneyCline has also incorporated a reservoir count into the calculation of 3 - 7 successful reservoir units.

Due to the uncertainty in likely hydrocarbon phase, GaffneyCline has estimated both an oil case and a gas case for each of the prospects and leads. Note that the volumes calculated are mutually exclusive and are calculated on an either/or basis. Regional data indicates that a gas discovery is more likely than an oil discovery. Due to the nature of the stacked reservoirs in prospects in the Northern OM Block, it is possible a combination of both oil and gas will be present.

GaffneyCline has reviewed the main risks for the Pinang Prospect to estimate a GCoS. Reservoir presence and effectiveness is relatively low risk within the basin. The presence of a mature source rock has been proven in the basin; however, distance of the prospect from known source kitchens means that source migration and charge of the prospect are high risks. The trap is also considered a high risk and in particular the cross-fault seal with the structure relying fault seal to the east.

GaffneyCline's estimates of GIIP and STOIP for the Pinang Prospect, together with its estimate of GCoS are given in **Table 4**.

Table 4: GaffneyCline's In-Place Estimate for the Pinang Prospect and the Associated GCoS

Prospect	GIIP (Bscf)			STOIP (MMBbl)			GCoS (%)
	P90	P50	P10	P90	P50	P10	
Pinang	16.6	40.4	99.4	11.6	28.8	70.0	25

Notes:

1. There is uncertainty over hydrocarbon phase, consequently both an oil case and a gas case have been calculated. Volumes are mutually exclusive.
2. Given the regional tendency for gas, GaffneyCline believes a gas discovery is more likely.

7.5 Beluga Lead

The Beluga Lead lies in the Southern OM Block and is formed of a four-way dip closed NW-SE trending anticline (**Figure 24**). The structure is defined by three 2D seismic lines which are of 1972 vintage.

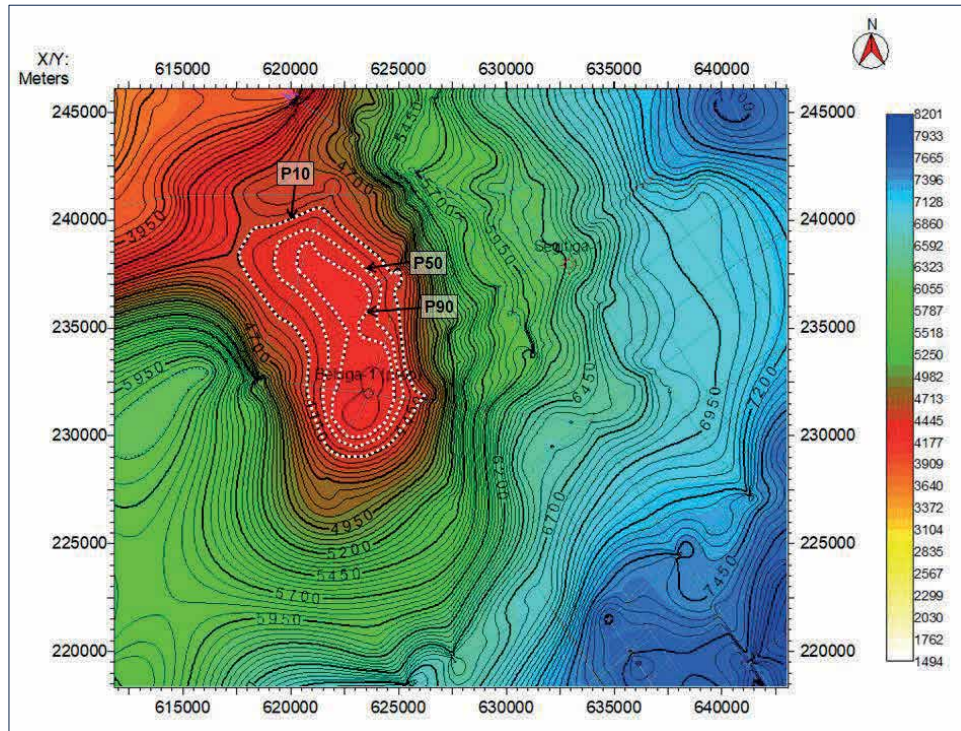
There are two reservoir targets in the lead, clastic shelf sandstones of the Latih Formation and possible deeper turbidites of the Birang Formation. Seals for the structure include the Birang deep marine shales and the shelf mudstone of the Latih Formation.

The lead lies updip of the Segitiga-1 well which was drilled to test a carbonate build-up which was found to be water wet and approximately 5 km south of the Tanjung Batu-1 well which was also drilled to test a carbonate build-up and found oil shows but was abandoned as a dry well.

The lead lies updip of the Gosungan Depression approximately 20 km to the south which has the potential to act as a source rock kitchen for the Southern OM Block. Possible sources include Eocene – Oligocene lacustrine shales of the Sembakung Formation or the Birang Marine shale.

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Figure 24: Baluga Lead Top Latih Depth Map



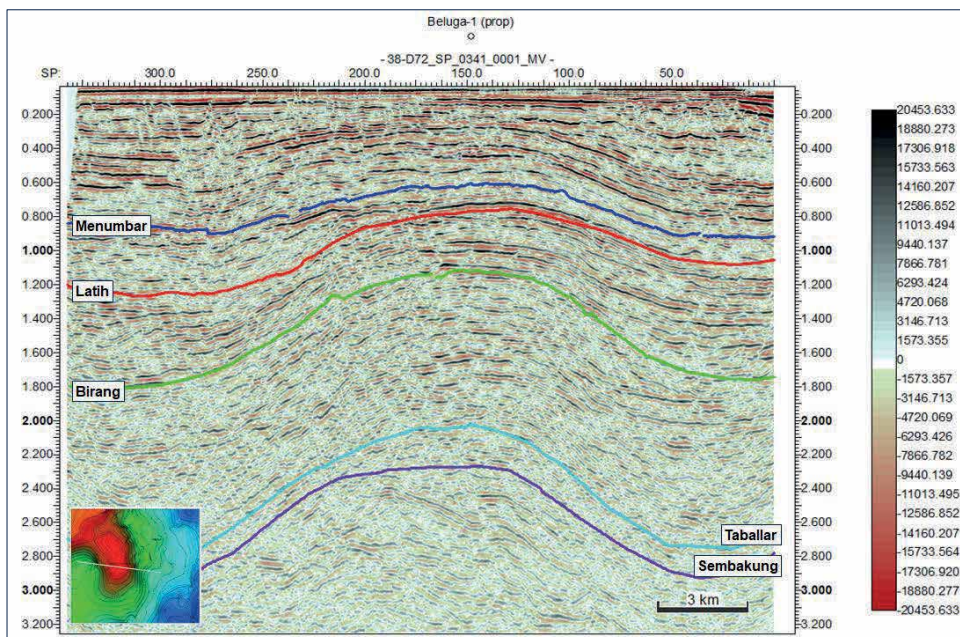
GaffneyCline reviewed the seismic data provided together with Conrad's interpretations. Data quality is poor to moderate. The seismic lines do infer roll-over at the Latih and Birang Formation levels; however, there is uncertainty in the mapping of the seismic horizons which are not very laterally continuous (**Figure 25**). Uncertainty also remains over the closure of the structure to the northwest. Closure of the mapped surface occurs between seismic lines and there is a risk that the structure spills updip to the northwest.

Conrad has only calculated volumes for the Latih Formation. GaffneyCline has reviewed the closures Conrad has used to calculate the areal extent of the reservoir. In the P90 case Conrad has used a conservative four-way dip closure and for the P10 case Conrad has used the LCC. For the P50, Conrad has used a mid-point between the P90 and P10. GaffneyCline agrees with this approach and so has used the same closures in its estimate. GaffneyCline has reviewed the reservoir parameters used by Conrad and believes they incorporate sufficient uncertainty considering the limited data set available.

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Figure 25: Seismic Cross-Section through the Baluga Lead



Volumes have been estimated for the Lath Formation only, with both an oil gas and a gas case. Note that these volumes are mutually exclusive. Given the regional tendency for gas, gas case is considered the more likely outcome.

In estimating the GCoS, a play risk has also been incorporated as there are no local discoveries in the Lath Formation. The primary risks are reservoir presence and effectiveness, charge and the northeast closure of the structure. GaffneyCline believes that Beluga is a promising lead but that more work is required, including the acquisition of additional seismic data to reduce the risks associated with the north-eastern closure before the lead be considered a drill-ready prospect. The Operator’s forward exploration program for the Beluga lead includes acquisition and processing of some 100 km² 3D seismic over the lead, or alternatively, reprocessing of an existing 2D survey.

GaffneyCline’s estimates of GIIP and STOIP for the Lath Reservoir of the Beluga Lead, together with its estimate of GCoS are given in **Table 5**.

Table 5: GaffneyCline’s In-Place estimate for the Beluga Lead and the associated GCoS

Lead	GIIP (Bscf)			STOIP (MMBbl)			GCoS (%)
	P90	P50	P10	P90	P50	P10	
Beluga	151.3	327.1	602.0	117.8	255.5	475.4	11

Notes:

1. There is uncertainty over hydrocarbon phase, consequently both an oil case and a gas case have been calculated. Volumes are mutually exclusive.
2. Given the regional tendency for gas, GaffneyCline believes a gas discovery is more likely.

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7.6 Utsuri Lead

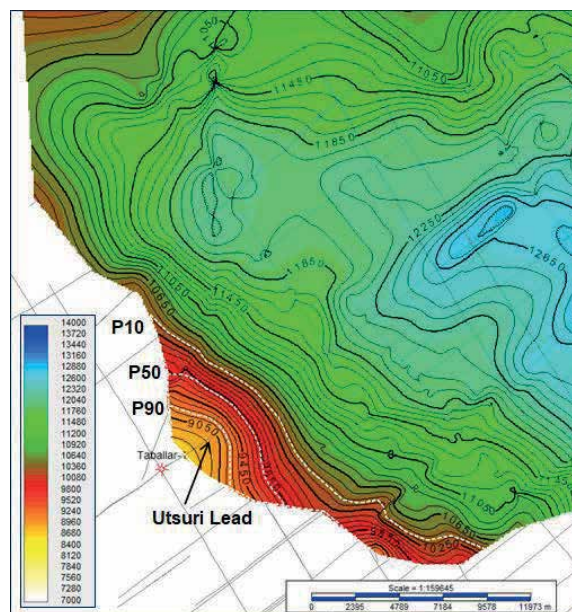
The Utsuri Lead is a stratigraphic lead located in the Southern OM Block (**Figure 26**). The lead was identified on 2D seismic as a series of high amplitude packages which onlap onto the underlying Seilor Formation (**Figure 27**).

The reservoir target is Early Miocene Tempilan clastics which are interpreted to have been deposited in a channel slope system which developed on the margins of the Mangkaihat High and transported material to the Gosungan Deep to the northeast. The lead is covered by 6-7 2D seismic lines, predominantly in the dip direction. Closure is anticipated to be primarily stratigraphic with the channel sands of the Tempilan clastics being sealed by the mudstones of the Birang Formation.

The lead lies downdip of the Taballar-1 well which was drilled by BP in 1974 to target a stratigraphic trap against the southwestern margin of the Muara Sub-basin. The well was drilled to test the Latih and Domaring Formations. The well was drilled to a TD of 7,818 ft and while gas kicks, dead oil, and bitumen were reported- suggesting the possibility of an active petroleum system- the well failed to find any potential reservoir and was abandoned.

GaffneyCline has reviewed the closures Conrad has used to calculate the areal extent of the reservoir. In the P90 case Conrad has used a conservative closure against the Seilor Formation and for the P10 case Conrad has used the LCC. For the P50, Conrad has used a midpoint between the P90 and P10. GaffneyCline agrees with this approach and so has used the same closures in its estimate but has independently calculated areas using the Kingdom project provided. GaffneyCline has reviewed the reservoir parameters used by Conrad and believes they incorporate sufficient uncertainty considering the limited data set available.

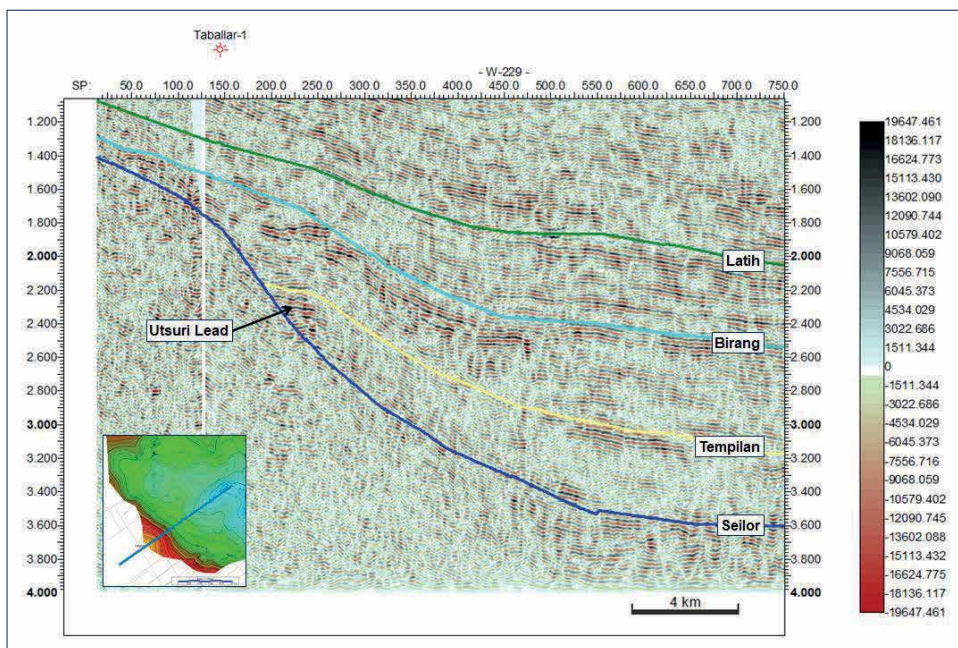
Figure 26: Utsuri Lead Top Tempilan Depth Map



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Figure 27: Seismic Cross-Section through the Utsuri Lead



GaffneyCline has estimated volumes for an oil case and a gas case. Note that these volumes are mutually exclusive. Given the regional tendency for gas, GaffneyCline believes that the gas case is the more likely outcome.

In estimating the GCoS, GaffneyCline has also incorporated a play risk as there are no local discoveries in the Tempilan Formation. The primary risks are reservoir presence and effectiveness given the results of the Taballar-1 well as well as charge of any reservoir package which may be sealed downdip by mudstone making migration of any hydrocarbons an uncertainty. GaffneyCline believes that Utsuri is a promising lead but that more work is required to reduce the associated risks before it can be considered a drill-ready prospect.

GaffneyCline’s estimates of GIIP and STOIP for the Utsuri Lead, together with its estimate of GCoS are given in **Table 6**.

Table 6: GaffneyCline’s In-Place Estimate for the Utsuri Lead and the Associated GCoS

Prospect	GIIP (Bscf)			STOIP (MMBbl)			GCoS (%)
	P90	P50	P10	P90	P50	P10	
Utsuri	110.3	329.4	934.5	88.5	263.8	732.7	14

Notes:

1. There is uncertainty over hydrocarbon phase, consequently both an oil case and a gas case have been calculated. Volumes are mutually exclusive.
2. Given the regional tendency for gas, GaffneyCline believes a gas discovery is more likely.

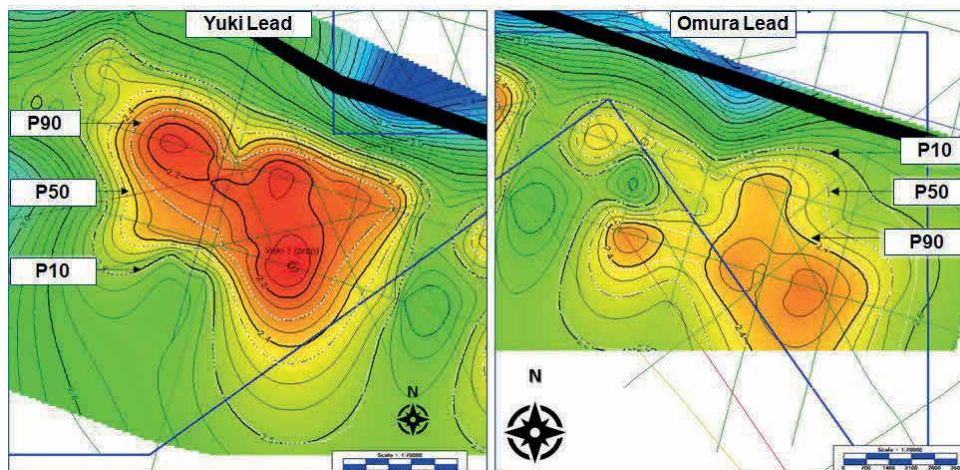
7.7 Yuki and Omura Leads

The Yuki and Omura Leads lie adjacent to each other in the centre of the OM PSC (**Figure 28**). Both are formed of four-way, dip-closed structures which sit on the Maratua High which divides the Northern OM Block in the Tarakan Sub-basin from the Southern OM Block in the Muara Sub-basin. The leads lie in transitional zone waters with depths of 3-20 m.

The structure is defined by 2D seismic data with the Yuki lead covered by 7-8 2D lines and Omura by 5-6. The reservoir target is a carbonate build-up in the Early Miocene Taballar Formation. GaffneyCline was not provided with interpretations over the structures but has reviewed seismic cross sections which include interpretations provided by Conrad. Seismic data is of reasonable quality over the structures. Structural highs can be clearly mapped at the Taballar level and seismic reflectors show lateral variations in character from parallel laminations to discontinuous and hummocky which may be associated with facies changes within a carbonate build up (**Figure 29**).

GaffneyCline has reviewed the closures Conrad has used to calculate the areal extent of the reservoir. In the P90 case Conrad has used a conservative four-way dip closure and for the P10 case Conrad has used the LCC. The P50 case has been determined by a mid-case between the two. GaffneyCline agrees with this approach and so has used the same closures in its estimates. GaffneyCline has reviewed the reservoir parameters used by Conrad and where GaffneyCline has agreed with these, they have been accepted and used in the volumetric calculations. Where GaffneyCline has not agreed with parameters used by Conrad, GaffneyCline has used the dataset provided together with regional and analogue data to form its own opinion of reasonable reservoir parameters.

Figure 28: Top Taballar Carbonate Depth Maps for the Yuki and Omura Leads

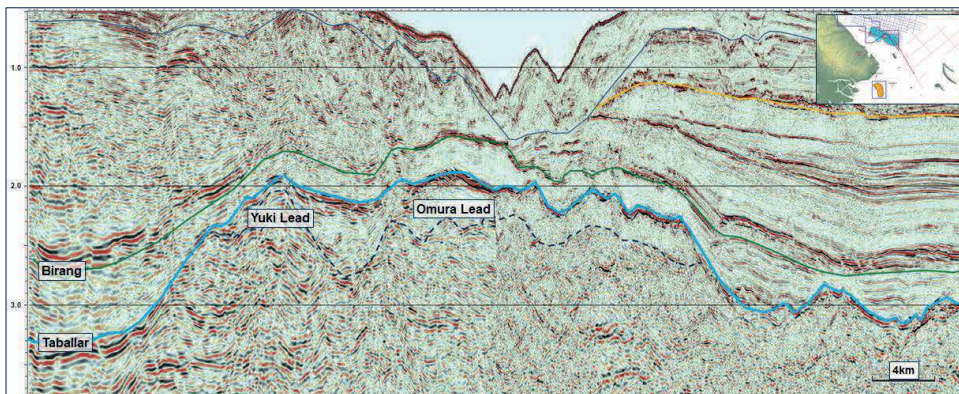


Source: Edited from Conrad

Annexure E: Competent Person’s Report for the Offshore Mangkalahat PSC, Indonesia Cont.



Figure 29: Seismic Cross-Section through the Yuki and Omura Leads



Source: Edited from Conrad

Volumes have been estimated for an oil case and a gas case. Note that these volumes are mutually exclusive. Given the regional tendency for gas, the gas case is considered the more likely outcome.

In estimating the GCoS, GaffneyCline has also incorporated a play risk as there are no local discoveries in the Taballar Formation. The primary risks are reservoir presence and effectiveness and charge, with the leads lying some distance from possible source kitchens.

GaffneyCline’s estimates of GIIP and STOIIIP for the Yuki and Omura Leads, together with estimates of GCoS are given in **Table 7**.

Table 7: GaffneyCline’s In-Place Estimate for the Yuki and Omura Leads and the Associated GCoS

Prospect	GIIP (Bscf)			STOIIIP (MMBbl)			GCoS (%)
	P90	P50	P10	P90	P50	P10	
Yuki	378.6	749.9	1,596.9	296.5	628.8	1,276.0	12
Omura	237.5	470.9	884.9	189.6	374.7	709.1	12

Notes:

1. There is uncertainty over hydrocarbon phase, consequently both an oil case and a gas case have been calculated. Volumes are mutually exclusive.
2. Given the regional tendency for gas, GaffneyCline believes a gas discovery is more likely.

The forward exploration program for the Yuki and Omura leads includes the acquisition and processing of some 500 to 600 km of 2D seismic in the coming years.



8 Estimates of Prospective Resources

In order to estimate the Prospective Resources for each of the prospects and leads, GaffneyCline has estimated recovery factors for each one, which have been incorporated into the 1D Monte Carlo model to probabilistically estimate recoverable volumes.

For the Northern OM Block prospects, recovery factors of 10-25-40% have been applied in the oil case and 40-60-80% in the gas case for the P90-P50-P10 estimates respectively. Recovery factors have been estimated based on regional analogue data and consider the thin, interbedded nature of the braided deltaic sands of the Tarakan Formation. Additionally, because the prospects are of modest size, located offshore and formed of thin discontinuous sands, it is considered unlikely that water injection would be part of any development. A wide range to the recovery factors has been applied due to the unknown aquifer strength.

In the Southern OM Block, recovery factors of 25-30-35% have been applied in the oil case and 40-55-70% in the gas case for the P90-P50-P10 respectively for the Beluga Lead. This assumes that the large, four-way dip closed structure is more likely to have a strong water drive. For the Utsuri, Yuki and Omura Leads, recovery factors of 20-25-30% have been applied in the oil case and 50-65-80% in the gas case for the P90-P50-P10 respectively. This assumes a weaker water drive for these leads which are either smaller, in the case of Utsuri, or more complex in nature and with more barriers to flow which may reduce aquifer drive in the case of Yuki and Omura.

GaffneyCline's estimates of Prospective resources for the prospects and leads identified by Conrad in the OM PSC are given in **Table 8**.

Table 8: GaffneyCline's Estimate of Unrisked Gross Prospective Resources and associated GCoS for Prospects and Leads identified in the OM PSC, Indonesia, as of 1 July 2022

Prospect/Lead	Gas Prospective Resources (Bscf)			Oil Prospective Resources (MMBbl)			GCoS (%)
	P90	P50	P10	P90	P50	P10	
Labu	77.4	208.5	649.1	15.8	58.4	216.5	22
Pare	21.6	59.5	174.7	4.3	16.8	58.8	25
Pinang	8.1	24.1	74.9	1.8	7.0	25.7	25
Beluga	82.5	173.6	336.5	36.1	74.1	139.7	11
Utsuri	61.5	206.1	638.0	18.9	63.6	195.1	14
Yuki	245.0	511.1	1,079.0	76.7	158.9	336.5	12
Omura	150.0	314.1	584.9	44.7	94.2	180.2	12

Notes:

1. There is uncertainty over hydrocarbon phase, consequently both an oil case and a gas case have been calculated. Volumes are mutually exclusive.
2. Given the regional tendency for gas, GaffneyCline believes a gas discovery is more likely.
3. The estimated quantities of petroleum that may potentially be recovered by the application of a future development project(s) relate to undiscovered accumulations. These estimates have both an associated chance of discovery (GCoS) and a chance of development (Chance of Development or CoD). Further exploration, appraisal, and evaluation is required to determine the existence of a significant quantity of potentially recoverable hydrocarbons.

Annexure E: Competent Person's Report for the Offshore Mangkalihahat PSC, Indonesia Cont.



Basis of Opinion

This document reflects GaffneyCline's informed professional judgment based on accepted standards of professional investigation and, as applicable, the data and information provided by the Client, the limited scope of engagement, and the time permitted to conduct the evaluation.

In line with those accepted standards, this document does not in any way constitute or make a guarantee or prediction of results, and no warranty is implied or expressed that actual outcome will conform to the outcomes presented herein. GaffneyCline has not independently verified any information provided by, or at the direction of, the Client, and has accepted the accuracy and completeness of this data. GaffneyCline has no reason to believe that any material facts have been withheld but does not warrant that its inquiries have revealed all of the matters that a more extensive examination might otherwise disclose.

The opinions expressed herein are subject to and fully qualified by the generally accepted uncertainties associated with the interpretation of geoscience and engineering data and do not reflect the totality of circumstances, scenarios and information that could potentially affect decisions made by the report's recipients and/or actual results. The opinions and statements contained in this report are made in good faith and in the belief that such opinions and statements are representative of prevailing physical and economic circumstances.

In the preparation of this report, GaffneyCline has used definitions contained within the Petroleum Resources Management System (PRMS), which was approved by the Society of Petroleum Engineers, the World Petroleum Council, the American Association of Petroleum Geologists, the Society of Petroleum Evaluation Engineers, the Society of Exploration Geophysicists, the Society of Petrophysicists and Well Log Analysts, and the European Association of Geoscientists and Engineers in June 2018, Version 1.01 (**Appendix I**).

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 resources assessments must be recognized as a subjective process of estimating subsurface accumulations of oil and gas that cannot be measured in an exact way. Estimates of oil and gas resources prepared by other parties may differ, perhaps materially, from those contained within this report.

The accuracy of any resources estimate is a function of the quality of the available data and of engineering and geological interpretation. Results of drilling, testing and production that post-date the preparation of the estimates may justify revisions, some or all of which may be material. Accordingly, resources estimates are often different from the quantities of oil and gas that are ultimately recovered, and the timing and cost of those volumes that are recovered may vary from that assumed.

Oil and condensate volumes are reported in millions (10^6) of barrels at stock tank conditions (MMstb). Natural gas volumes have been quoted in billions (10^9) of standard cubic feet (Bscf) and are volumes of recoverable gas, without any allocation made for fuel and process shrinkage losses. Standard conditions are defined as 14.7 psia and 60°F.



GaffneyCline's review and audit involved reviewing pertinent facts, interpretations and assumptions made by Conrad or "the Client" or others in preparing estimates of reserves and resources. GaffneyCline performed procedures necessary to enable it to render an opinion on the appropriateness of the methodologies employed, adequacy and quality of the data relied on, depth and thoroughness of the reserves and resources estimation process, classification and categorization of reserves and resources appropriate to the relevant definitions used, and reasonableness of the estimates.

Definition of Reserves and Resources

Reserves are those quantities of petroleum anticipated to be commercially recoverable by application of development projects to known accumulations from a given date forward under defined conditions. Reserves must satisfy four criteria: discovered, recoverable, commercial and remaining (as of the evaluation's effective date) based on the development project(s) applied.

Reserves are further categorized in accordance with the level of certainty associated with the estimates and may be sub-classified based on project maturity and/or characterized by development and production status. All categories of reserves volumes quoted herein have been derived within the context of an economic limit test (ELT) assessment (pre-tax and exclusive of accumulated depreciation amounts) prior to any net present value (NPV) analysis.

Contingent Resources are those quantities of petroleum estimated, as of a given date, to be potentially recoverable from known accumulations by application of development projects, but which are not currently considered to be commercially recoverable owing to one or more contingencies. Contingent Resources may include, for example, projects for which there are currently no viable markets, where commercial recovery is dependent on technology under development, where evaluation of the accumulation is insufficient to clearly assess commerciality, where the development plan is not yet approved, or where regulatory or social issues may exist. Contingent Resources are further categorized in accordance with the level of certainty associated with the estimates and may be sub-classified based on project maturity and/or characterized by the economic status.

It must be appreciated that the Contingent Resources reported herein are unrisks in terms of economic uncertainty and commerciality. There is no certainty that it will be commercially viable to produce any portion of the Contingent Resources. Once discovered, the chance that the accumulation will be commercially developed is referred to as the "chance of development".

Prospective Resources are those quantities of petroleum that are estimated, as of a given date, to be potentially recoverable from undiscovered accumulations by application of future development projects. Potential accumulations are evaluated according to the chance of geologic discovery and, assuming a discovery, the estimated quantities that would be recoverable under defined development projects. It is recognized that the development programs will be of significantly less detail and depend more heavily on analog developments in the earlier phases of exploration.

There is no certainty that any portion of the Prospective Resources will be discovered. If discovered, there is no certainty that it will be commercially viable to produce any portion of the resources. Prospective Resource volumes are presented as unrisks. GaffneyCline's assessment of GCoS and CoD are discussed in this report.

Annexure E: Competent Person's Report for the Offshore Mangkalihahat PSC, Indonesia Cont.



Reserves net to Conrad or "the Client" are quoted as Net Entitlement Reserves, reflecting the terms of the applicable Production Sharing Contracts (PSC). Contingent Resources and Prospective Resources are presented at a gross field level and a net working interest level, as the development plans are not yet sufficiently mature for net entitlements to be estimated.

GaffneyCline has not undertaken a site visit and inspection because a visit was not included in the scope of work, and the PSC is offshore and pre-development. As such, GaffneyCline is not in a position to comment on the operations or facilities in place, their appropriateness and condition, or whether they are in compliance with the regulations pertaining to such operations. Further, GaffneyCline is not in a position to comment on any aspect of health, safety and environmental matters.

This report has been prepared based on GaffneyCline's understanding of the effects of petroleum legislation and other regulations that currently apply to these properties.

GaffneyCline is not aware of any carbon pricing impost that is applicable to the evaluation of the assets that are the subject of this report. GaffneyCline has also not included the impact of any potential carbon pricing scheme that may be implemented in the future.

GaffneyCline is not in a position to attest to property title or rights, conditions of these rights (including environmental and abandonment obligations), or any necessary licenses and consents (including planning permission, financial interest relationships, or encumbrances thereon for any part of the appraised properties).

GaffneyCline is not aware of any potential changes in regulations applicable to these fields that could affect the ability of Conrad or "the Client" to produce the estimated reserves.

Qualifications

In performing this study, GaffneyCline is not aware that any conflict of interest has existed. As an independent consultancy, GaffneyCline is providing impartial technical, commercial, and strategic advice within the energy sector. GaffneyCline's remuneration was not in any way contingent on the contents of this report.

In the preparation of this document, GaffneyCline has maintained, and continues to maintain, a strict independent consultant-client relationship with Conrad or "the Client". Furthermore, the management and employees of GaffneyCline have no interest in any of the assets evaluated or are related with the analysis performed, as part of this report.

Staff members who prepared this report hold appropriate professional and educational qualifications, have the necessary levels of experience and expertise to perform the work, and fulfil the requirements of a Qualified Reserves Auditor and Qualified Reserves Evaluator as defined in the PRMS (see Appendix I).

Mr. Peacock holds a Master's Degree in Petroleum Geology and is a member of the Society of Petroleum Engineers (SPE), the Petroleum Exploration Society of Great Britain, and the American Association of Petroleum Geologists. He has been an SPE Distinguished Lecturer (2010/11) and a member of the SPE Oil and Gas Reserves Committee. He has been involved in many oil and gas Reserves and Resources assessments both for project finance and for public reporting purposes including for ASX, AIM, SGX, SEC and HKEx. He has over 35 year's industry experience.



Notice

GaffneyCline has consented to the inclusion of this document in Conrad's prospectus in connection with Conrad's initial public offering and proposed listing on the Australian Securities Exchange, and has not withdrawn its consent on the date of the prospectus. No person or company other than those for whom it is intended may directly or indirectly rely upon its contents. GaffneyCline is acting in an advisory capacity only and, to the fullest extent permitted by law, disclaims all liability for actions or losses derived from any actual or purported reliance on this document (or any other statements or opinions of GaffneyCline) by the Client or by any other person or entity.

It has been a pleasure preparing this CPR of the Offshore Mangkalihat PSC for Conrad Asia Energy Ltd.. Please contact the undersigned if you have any questions.

Yours sincerely,

Gaffney, Cline & Associates (Consultants) Pte Ltd

Project Manager
Andrew Duncan, *Principal Advisor*

Reviewed by
Doug Peacock, *Technical Director*

Appendices

Appendix I	Abbreviated 2018 SPE PRMS Guidelines and Definitions
Appendix II	Glossary

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Appendix I Abbreviated 2018 SPE PRMS Definitions and Guidelines



Society of Petroleum Engineers, World Petroleum Council,
American Association of Petroleum Geologists, Society of Petroleum Evaluation Engineers,
Society of Exploration Geophysicists, Society of Petrophysicists and Well Log Analysts,
and European Association of Geoscientists & Engineers

Petroleum Resources Management System

Definitions and Guidelines ⁽¹⁾

(Revised June 2018)

Table 1—Recoverable Resources Classes and Sub-Classes

Class/Sub-Class	Definition	Guidelines
Reserves	Reserves are those quantities of petroleum anticipated to be commercially recoverable by application of development projects to known accumulations from a given date forward under defined conditions.	<p>Reserves must satisfy four criteria: discovered, recoverable, commercial, and remaining based on the development project(s) applied. Reserves are further categorized in accordance with the level of certainty associated with the estimates and may be sub-classified based on project maturity and/or characterized by the development and production status.</p> <p>To be included in the Reserves class, a project must be sufficiently defined to establish its commercial viability (see Section 2.1.2, Determination of Commerciality). This includes the requirement that there is evidence of firm intention to proceed with development within a reasonable time-frame.</p> <p>A reasonable time-frame for the initiation of development depends on the specific circumstances and varies according to the scope of the project. While five years is recommended as a benchmark, a longer time-frame could be applied where, for example, development of an economic project is deferred at the option of the producer for, among other things, market-related reasons or to meet contractual or strategic objectives. In all cases, the justification for classification as Reserves should be clearly documented.</p> <p>To be included in the Reserves class, there must be a high confidence in the commercial maturity and economic producibility of the reservoir as supported by actual production or formation tests. In certain cases, Reserves may be assigned on the basis of well logs and/or core analysis that indicate that the subject reservoir is hydrocarbon-bearing and is analogous to reservoirs in the same area that are producing or have demonstrated the ability to produce on formation tests.</p>

¹ These Definitions and Guidelines are extracted from the full Petroleum Resources Management System (revised June 2018) document.

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Class/Sub-Class	Definition	Guidelines
On Production	The development project is currently producing or capable of producing and selling petroleum to market.	<p>The key criterion is that the project is receiving income from sales, rather than that the approved development project is necessarily complete. Includes Developed Producing Reserves.</p> <p>The project decision gate is the decision to initiate or continue economic production from the project.</p>
Approved for Development	All necessary approvals have been obtained, capital funds have been committed, and implementation of the development project is ready to begin or is under way.	<p>At this point, it must be certain that the development project is going ahead. The project must not be subject to any contingencies, such as outstanding regulatory approvals or sales contracts. Forecast capital expenditures should be included in the reporting entity’s current or following year’s approved budget.</p> <p>The project decision gate is the decision to start investing capital in the construction of production facilities and/or drilling development wells.</p>
Justified for Development	Implementation of the development project is justified on the basis of reasonable forecast commercial conditions at the time of reporting, and there are reasonable expectations that all necessary approvals/contracts will be obtained.	<p>To move to this level of project maturity, and hence have Reserves associated with it, the development project must be commercially viable at the time of reporting (see Section 2.1.2, Determination of Commerciality) and the specific circumstances of the project. All participating entities have agreed and there is evidence of a committed project (firm intention to proceed with development within a reasonable time-frame)) There must be no known contingencies that could preclude the development from proceeding (see Reserves class).</p> <p>The project decision gate is the decision by the reporting entity and its partners, if any, that the project has reached a level of technical and commercial maturity sufficient to justify proceeding with development at that point in time.</p>
Contingent Resources	Those quantities of petroleum estimated, as of a given date, to be potentially recoverable from known accumulations by application of development projects, but which are not currently considered to be commercially recoverable owing to one or more contingencies.	<p>Contingent Resources may include, for example, projects for which there are currently no viable markets, where commercial recovery is dependent on technology under development, where evaluation of the accumulation is insufficient to clearly assess commerciality, where the development plan is not yet approved, or where regulatory or social acceptance issues may exist.</p> <p>Contingent Resources are further categorized in accordance with the level of certainty associated with the estimates and may be sub-classified based on project maturity and/or characterized by the economic status.</p>

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Class/Sub-Class	Definition	Guidelines
Development Pending	A discovered accumulation where project activities are ongoing to justify commercial development in the foreseeable future.	<p>The project is seen to have reasonable potential for eventual commercial development, to the extent that further data acquisition (e.g., drilling, seismic data) and/or evaluations are currently ongoing with a view to confirming that the project is commercially viable and providing the basis for selection of an appropriate development plan. The critical contingencies have been identified and are reasonably expected to be resolved within a reasonable time-frame. Note that disappointing appraisal/evaluation results could lead to a reclassification of the project to On Hold or Not Viable status.</p> <p>The project decision gate is the decision to undertake further data acquisition and/or studies designed to move the project to a level of technical and commercial maturity at which a decision can be made to proceed with development and production.</p>
Development on Hold	A discovered accumulation where project activities are on hold and/or where justification as a commercial development may be subject to significant delay.	<p>The project is seen to have potential for commercial development. Development may be subject to a significant time delay. Note that a change in circumstances, such that there is no longer a probable chance that a critical contingency can be removed in the foreseeable future, could lead to a reclassification of the project to Not Viable status.</p> <p>The project decision gate is the decision to either proceed with additional evaluation designed to clarify the potential for eventual commercial development or to temporarily suspend or delay further activities pending resolution of external contingencies.</p>
Development Unclarified	A discovered accumulation where project activities are under evaluation and where justification as a commercial development is unknown based on available information.	<p>The project is seen to have potential for eventual commercial development, but further appraisal/evaluation activities are ongoing to clarify the potential for eventual commercial development.</p> <p>This sub-class requires active appraisal or evaluation and should not be maintained without a plan for future evaluation. The sub-class should reflect the actions required to move a project toward commercial maturity and economic production.</p>
Development Not Viable	A discovered accumulation for which there are no current plans to develop or to acquire additional data at the time because of limited production potential.	<p>The project is not seen to have potential for eventual commercial development at the time of reporting, but the theoretically recoverable quantities are recorded so that the potential opportunity will be recognized in the event of a major change in technology or commercial conditions.</p> <p>The project decision gate is the decision not to undertake further data acquisition or studies on the project for the foreseeable future.</p>

Annexure E: Competent Person's Report for the Offshore Mangkalahat PSC, Indonesia Cont.

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Class/Sub-Class	Definition	Guidelines
Prospective Resources	Those quantities of petroleum that are estimated, as of a given date, to be potentially recoverable from undiscovered accumulations.	Potential accumulations are evaluated according to the chance of geologic discovery and, assuming a discovery, the estimated quantities that would be recoverable under defined development projects. It is recognized that the development programs will be of significantly less detail and depend more heavily on analog developments in the earlier phases of exploration.
Prospect	A project associated with a potential accumulation that is sufficiently well defined to represent a viable drilling target.	Project activities are focused on assessing the chance of geologic discovery and, assuming discovery, the range of potential recoverable quantities under a commercial development program.
Lead	A project associated with a potential accumulation that is currently poorly defined and requires more data acquisition and/or evaluation to be classified as a Prospect.	Project activities are focused on acquiring additional data and/or undertaking further evaluation designed to confirm whether or not the Lead can be matured into a Prospect. Such evaluation includes the assessment of the chance of geologic discovery and, assuming discovery, the range of potential recovery under feasible development scenarios.
Play	A project associated with a prospective trend of potential prospects, but that requires more data acquisition and/or evaluation to define specific Leads or Prospects.	Project activities are focused on acquiring additional data and/or undertaking further evaluation designed to define specific Leads or Prospects for more detailed analysis of their chance of geologic discovery and, assuming discovery, the range of potential recovery under hypothetical development scenarios.



Table 2—Reserves Status Definitions and Guidelines

Status	Definition	Guidelines
Developed Reserves	Expected quantities to be recovered from existing wells and facilities.	Reserves are considered developed only after the necessary equipment has been installed, or when the costs to do so are relatively minor compared to the cost of a well. Where required facilities become unavailable, it may be necessary to reclassify Developed Reserves as Undeveloped. Developed Reserves may be further sub-classified as Producing or Non-producing.
Developed Producing Reserves	Expected quantities to be recovered from completion intervals that are open and producing at the effective date of the estimate.	Improved recovery Reserves are considered producing only after the improved recovery project is in operation.
Developed Non-Producing Reserves	Shut-in and behind-pipe Reserves.	<p>Shut-in Reserves are expected to be recovered from (1) completion intervals that are open at the time of the estimate but which have not yet started producing, (2) wells which were shut-in for market conditions or pipeline connections, or (3) wells not capable of production for mechanical reasons. Behind-pipe Reserves are expected to be recovered from zones in existing wells that will require additional completion work or future re-completion before start of production with minor cost to access these reserves.</p> <p>In all cases, production can be initiated or restored with relatively low expenditure compared to the cost of drilling a new well.</p>
Undeveloped Reserves	Quantities expected to be recovered through future significant investments.	Undeveloped Reserves are to be produced (1) from new wells on undrilled acreage in known accumulations, (2) from deepening existing wells to a different (but known) reservoir, (3) from infill wells that will increase recovery, or (4) where a relatively large expenditure (e.g., when compared to the cost of drilling a new well) is required to (a) recomplete an existing well or (b) install production or transportation facilities for primary or improved recovery projects.

Annexure E: Competent Person’s Report for the Offshore Mangkalahat PSC, Indonesia Cont.



Table 3—Reserves Category Definitions and Guidelines

Category	Definition	Guidelines
Proved Reserves	Those quantities of petroleum that, by analysis of geoscience and engineering data, can be estimated with reasonable certainty to be commercially recoverable from a given date forward from known reservoirs and under defined economic conditions, operating methods, and government regulations.	<p>If deterministic methods are used, the term “reasonable certainty” is intended to express a high degree of confidence that the quantities will be recovered. If probabilistic methods are used, there should be at least a 90% probability (P90) that the quantities actually recovered will equal or exceed the estimate.</p> <p>The area of the reservoir considered as Proved includes (1) the area delineated by drilling and defined by fluid contacts, if any, and (2) adjacent undrilled portions of the reservoir that can reasonably be judged as continuous with it and commercially productive on the basis of available geoscience and engineering data.</p> <p>In the absence of data on fluid contacts, Proved quantities in a reservoir are limited by the LKH as seen in a well penetration unless otherwise indicated by definitive geoscience, engineering, or performance data. Such definitive information may include pressure gradient analysis and seismic indicators. Seismic data alone may not be sufficient to define fluid contacts for Proved.</p> <p>Reserves in undeveloped locations may be classified as Proved provided that:</p> <ul style="list-style-type: none"> A. The locations are in undrilled areas of the reservoir that can be judged with reasonable certainty to be commercially mature and economically productive. B. Interpretations of available geoscience and engineering data indicate with reasonable certainty that the objective formation is laterally continuous with drilled Proved locations. <p>For Proved Reserves, the recovery efficiency applied to these reservoirs should be defined based on a range of possibilities supported by analogs and sound engineering judgment considering the characteristics of the Proved area and the applied development program.</p>
Probable Reserves	Those additional Reserves that analysis of geoscience and engineering data indicates are less likely to be recovered than Proved Reserves but more certain to be recovered than Possible Reserves.	<p>It is equally likely that actual remaining quantities recovered will be greater than or less than the sum of the estimated Proved plus Probable Reserves (2P). In this context, when probabilistic methods are used, there should be at least a 50% probability that the actual quantities recovered will equal or exceed the 2P estimate.</p> <p>Probable Reserves may be assigned to areas of a reservoir adjacent to Proved where data control or interpretations of available data are less certain. The interpreted reservoir continuity may not meet the reasonable certainty criteria. Probable estimates also include incremental recoveries associated with project recovery efficiencies beyond that assumed for Proved.</p>

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Category	Definition	Guidelines
Possible Reserves	Those additional reserves that analysis of geoscience and engineering data indicates are less likely to be recoverable than Probable Reserves.	<p>The total quantities ultimately recovered from the project have a low probability to exceed the sum of Proved plus Probable plus Possible (3P), which is equivalent to the high-estimate scenario. When probabilistic methods are used, there should be at least a 10% probability (P10) that the actual quantities recovered will equal or exceed the 3P estimate.</p> <p>Possible Reserves may be assigned to areas of a reservoir adjacent to Probable where data control and interpretations of available data are progressively less certain. Frequently, this may be in areas where geoscience and engineering data are unable to clearly define the area and vertical reservoir limits of economic production from the reservoir by a defined, commercially mature project.</p> <p>Possible estimates also include incremental quantities associated with project recovery efficiencies beyond that assumed for Probable.</p>
Probable and Possible Reserves	See above for separate criteria for Probable Reserves and Possible Reserves.	<p>The 2P and 3P estimates may be based on reasonable alternative technical interpretations within the reservoir and/ or subject project that are clearly documented, including comparisons to results in successful similar projects.</p> <p>In conventional accumulations, Probable and/or Possible Reserves may be assigned where geoscience and engineering data identify directly adjacent portions of a reservoir within the same accumulation that may be separated from Proved areas by minor faulting or other geological discontinuities and have not been penetrated by a wellbore but are interpreted to be in communication with the known (Proved) reservoir. Probable or Possible Reserves may be assigned to areas that are structurally higher than the Proved area. Possible (and in some cases, Probable) Reserves may be assigned to areas that are structurally lower than the adjacent Proved or 2P area.</p> <p>Caution should be exercised in assigning Reserves to adjacent reservoirs isolated by major, potentially sealing faults until this reservoir is penetrated and evaluated as commercially mature and economically productive. Justification for assigning Reserves in such cases should be clearly documented. Reserves should not be assigned to areas that are clearly separated from a known accumulation by non-productive reservoir (i.e., absence of reservoir, structurally low reservoir, or negative test results); such areas may contain Prospective Resources.</p> <p>In conventional accumulations, where drilling has defined a highest known oil elevation and there exists the potential for an associated gas cap, Proved Reserves of oil should only be assigned in the structurally higher portions of the reservoir if there is reasonable certainty that such portions are initially above bubble point pressure based on documented engineering analyses. Reservoir portions that do not meet this certainty may be assigned as Probable and Possible oil and/or gas based on reservoir fluid properties and pressure gradient interpretations.</p>

Annexure E: Competent Person’s Report for the Offshore Mangkalihat PSC, Indonesia Cont.



Table 4—Other Definitions

Status	Definition
Qualified Reserves Auditor (QRA)	A reserves evaluator who (1) has a minimum of ten years of practical experience in petroleum engineering or petroleum production geology, with at least five years of such experience being in responsible charge of the estimation and evaluation of Reserves information; and (2) either (a) has obtained from a college or university of recognized stature a bachelor’s or advanced degree in petroleum engineering, geology, or other discipline of engineering or physical science or (b) has received, and is maintaining in good standing, a registered or certified professional engineer’s license or a registered or certified professional geologist’s license, or the equivalent, from an appropriate governmental authority or professional organization. (see SPE 2007 “Standards Pertaining to the Estimating and Auditing of Oil and Gas Reserves Information”)
Qualified Reserves Evaluator (QRE)	A reserves evaluator who (1) has a minimum of five years of practical experience in petroleum engineering or petroleum production geology, with at least three years of such experience being in the estimation and evaluation of Reserves information; and (2) either (a) has obtained from a college or university of recognized stature a bachelor’s or advanced degree in petroleum engineering, geology, or other discipline of engineering or physical science or (b) has received, and is maintaining in good standing, a registered or certified professional engineer’s license or a registered or certified professional geologist’s license, or the equivalent, from an appropriate governmental authority or professional organization. (modified from SPE 2007 “Standards Pertaining to the Estimating and Auditing of Oil and Gas Reserves Information”)
Economic Limit	Defined as the time when the maximum cumulative net cash flow (see Net Entitlement) occurs for a project. From which, an Economic Limit Test (ELT) can be defined as: an economics test to determine the time when the maximum cumulative net cash flow occurs for a project.



Figure 1.1—RESOURCES CLASSIFICATION FRAMEWORK

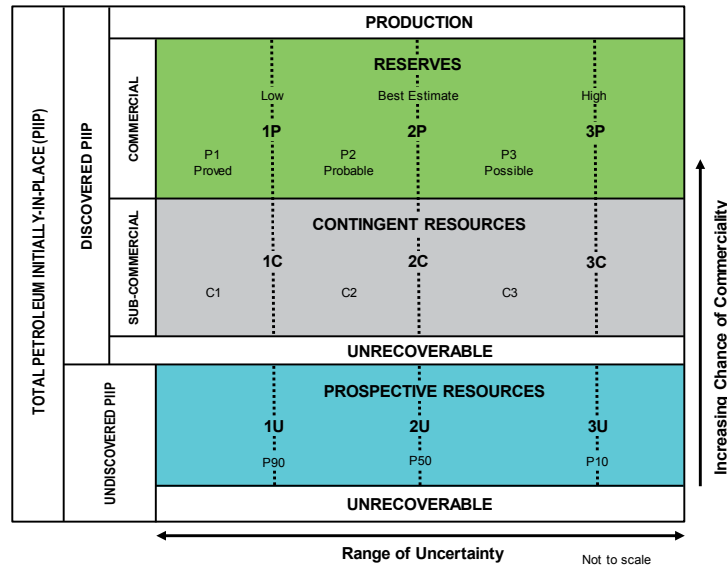
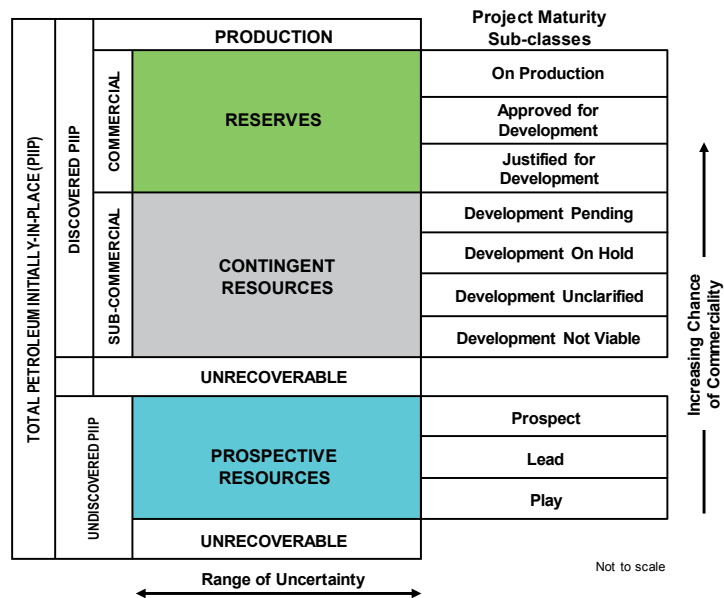


Figure 2.1—SUB-CLASSES BASED ON PROJECT MATURITY



Annexure E: Competent Person's Report for the Offshore Mangkalihat PSC, Indonesia Cont.

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Appendix II Glossary



GLOSSARY

List of Standard Oil Industry Terms and Abbreviations

ABEX	Abandonment Expenditure
ACQ	Annual Contract Quantity
°API	Degrees API (American Petroleum Institute)
AAPG	American Association of Petroleum Geologists
AVO	Amplitude versus Offset
A\$	Australian Dollars
B	Billion (10 ⁹)
Bbl	Barrels
/Bbl	per barrel
BBbl	Billion Barrels
BHA	Bottom Hole Assembly
BHC	Bottom Hole Compensated
Bscf or Bcf	Billion standard cubic feet
Bscfd or Bcfd	Billion standard cubic feet per day
Bm ³	Billion cubic metres
bcpd	Barrels of condensate per day
BHP	Bottom Hole Pressure
blpd	Barrels of liquid per day
bpd	Barrels per day
boe	Barrels of oil equivalent @ xxx mcf/Bbl
boepd	Barrels of oil equivalent per day @ xxx mcf/Bbl
BOP	Blow Out Preventer
bopd	Barrels oil per day
bwpd	Barrels of water per day
BS&W	Bottom sediment and water
BTU	British Thermal Units
bwpd	Barrels water per day
CBM	Coal Bed Methane
CO ₂	Carbon Dioxide
CAGR	Compound Annual Growth Rate
CAPEX	Capital Expenditure
CCGT	Combined Cycle Gas Turbine
CIF	Cost, Insurance and Freight
cm	centimetres
CMM	Coal Mine Methane
CNG	Compressed Natural Gas
Cp	Centipoise (a measure of viscosity)
CSG	Coal Seam Gas
CT	Corporation Tax
DCQ	Daily Contract Quantity
Deg C	Degrees Celsius
Deg F	Degrees Fahrenheit
DHI	Direct Hydrocarbon Indicator
DST	Drill Stem Test
DWT	Dead-weight ton
E&A	Exploration & Appraisal
E&P	Exploration and Production
EBIT	Earnings before Interest and Tax
EBITDA	Earnings before interest, tax, depreciation and amortisation
EI	Entitlement Interest
EIA	Environmental Impact Assessment
EMV	Expected Monetary Value
EOR	Enhanced Oil Recovery
EUR	Estimated Ultimate Recovery
FDP	Field Development Plan
FEED	Front End Engineering and Design
FOB	Free On Board
FPSO	Floating Production, Storage and Offloading
FSO	Floating Storage and Offloading

Annexure E: Competent Person's Report for the Offshore Mangkalihat PSC, Indonesia Cont.

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ft	Foot/feet
Fx	Foreign Exchange Rate
g	gram
g/cc	grams per cubic centimetre
gal	gallon
gal/d	gallons per day
G&A	General and Administrative costs
GBP	Pounds Sterling
GDT	Gas Down to
GIIP	Gas initially in place
GJ	Gigajoules (one billion Joules)
GOR	Gas Oil Ratio
GTL	Gas to Liquids
GWC	Gas water contact
HDT	Hydrocarbons Down to
HSE	Health, Safety and Environment
HSFO	High Sulphur Fuel Oil
HUT	Hydrocarbons up to
H ₂ S	Hydrogen Sulphide
IOR	Improved Oil Recovery
IPP	Independent Power Producer
IRR	Internal Rate of Return
J	Joule (Metric measurement of energy) kilojoule = 0.9478 BTU)
k	Permeability
KB	Kelly Bushing
KJ	Kilojoules (one Thousand Joules)
kl	Kilolitres
km	Kilometres
km ²	Square kilometres
kPa	Thousands of Pascals (measurement of pressure)
KW	Kilowatt
KWh	Kilowatt hour
LKG	Lowest Known Gas
LKH	Lowest Known Hydrocarbons
LKO	Lowest Known Oil
LNG	Liquefied Natural Gas
LoF	Life of Field
LPG	Liquefied Petroleum Gas
LTI	Lost Time Injury
LWD	Logging while drilling
m	Metres
M	Thousand
m ³	Cubic metres
Mcf or Mscf	Thousand standard cubic feet
MCM	Management Committee Meeting
MMcf or MMscf	Million standard cubic feet
m ³ d	Cubic metres per day
mD	Measure of Permeability in millidarcies
MD	Measured Depth
MDT	Modular Dynamic Tester
Mean	Arithmetic average of a set of numbers
Median	Middle value in a set of values
MFT	Multi Formation Tester
mg/l	milligrams per litre
MJ	Megajoules (One Million Joules)
Mm ³	Thousand Cubic metres
Mm ³ d	Thousand Cubic metres per day
MM	Million
MMBbl	Millions of barrels
MMBTU	Millions of British Thermal Units
Mode	Value that exists most frequently in a set of values = most likely
Mscfd	Thousand standard cubic feet per day

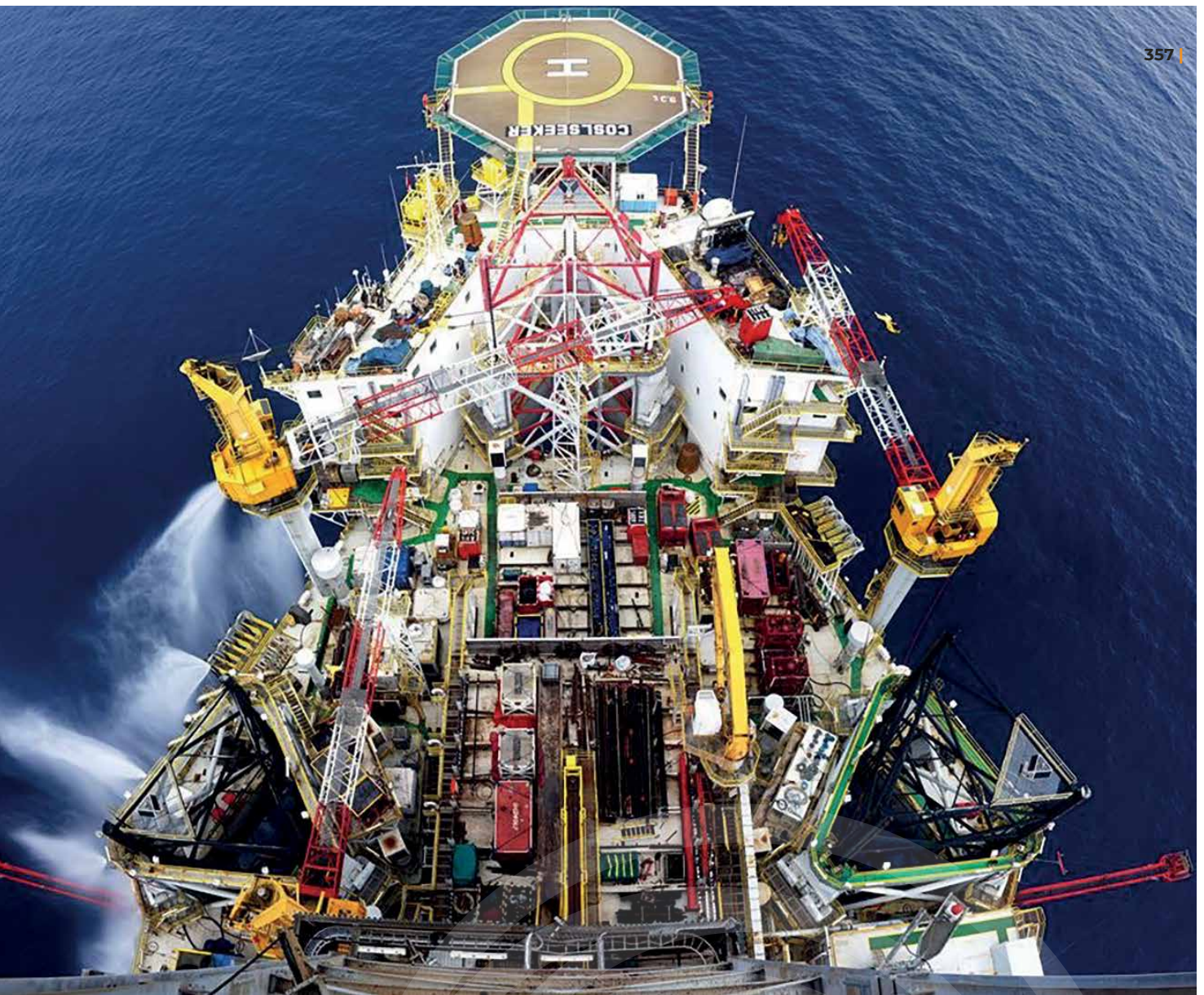
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MMscfd	Million standard cubic feet per day
MW	Megawatt
MWD	Measuring While Drilling
MWh	Megawatt hour
mya	Million years ago
NGL	Natural Gas Liquids
N ₂	Nitrogen
NPV	Net Present Value
OBM	Oil Based Mud
OCM	Operating Committee Meeting
ODT	Oil down to
OPEX	Operating Expenditure
OWC	Oil Water Contact
p.a.	Per annum
Pa	Pascals (metric measurement of pressure)
P&A	Plugged and Abandoned
PDP	Proved Developed Producing
PI	Productivity Index
PJ	Petajoules (10 ¹⁵ Joules)
PSDM	Post Stack Depth Migration
psi	Pounds per square inch
psia	Pounds per square inch absolute
psig	Pounds per square inch gauge
PUD	Proved Undeveloped
PVT	Pressure volume temperature
P10	10% Probability
P50	50% Probability
P90	90% Probability
Rf	Recovery factor
RFT	Repeat Formation Tester
RT	Rotary Table
R _w	Resistivity of water
SCAL	Special core analysis
cf or scf	Standard Cubic Feet
cf/d or scfd	Standard Cubic Feet per day
scf/ton	Standard cubic foot per ton
SL	Straight line (for depreciation)
s _o	Oil Saturation
SPE	Society of Petroleum Engineers
SPEE	Society of Petroleum Evaluation Engineers
ss	Subsea
stb	Stock tank barrel
STOIIP	Stock tank oil initially in place
s _w	Water Saturation
T	Tonnes
TD	Total Depth
Te	Tonnes equivalent
THP	Tubing Head Pressure
TJ	Terajoules (10 ¹² Joules)
Tscf or Tcf	Trillion standard cubic feet
TCM	Technical Committee Meeting
TOC	Total Organic Carbon
TOP	Take or Pay
Tpd	Tonnes per day
TVD	True Vertical Depth
TVD _{ss}	True Vertical Depth Subsea
USGS	United States Geological Survey
US\$	United States Dollar
VSP	Vertical Seismic Profiling
WC	Water Cut
WI	Working Interest
WPC	World Petroleum Council

Annexure E: Competent Person's Report for the Offshore Mangkalihat PSC, Indonesia Cont.

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WTI	West Texas Intermediate
wt%	Weight percent
1H05	First half (6 months) of 2005 (example of date)
2Q06	Second quarter (3 months) of 2006 (example of date)
2D	Two dimensional
3D	Three dimensional
4D	Four dimensional
1P	Proved Reserves
2P	Proved plus Probable Reserves
3P	Proved plus Probable plus Possible Reserves
%	Percentage



Annexure F: **Legal Opinion on Conrad's Oil and Gas Assets and Activities**

Annexure F: Legal Opinion on Conrad's Oil and Gas Assets and Activities

ASSEGAF HAMZAH & PARTNERS

No. 1871/03/19/09/2022

Jakarta, 9 September 2022

To:
Conrad Asia Energy Limited
 South Quarter Tower A, 15th Floor, Unit H,
 Jl. R.A. Kartini Kav. 8
 Cilandak, Jakarta 12430, Indonesia

Attn: **Board of Directors**

Re: Legal Opinion on Conrad's Oil and Gas Assets and Activities

Dear Sir/Madam,

We are qualified to practice law in the Republic of Indonesia ("**Indonesia**") and to advise on the laws of Indonesia and in this matter acting for Conrad Asia Energy Limited ("**Conrad**") in relation to the plan to undertake an initial public offering and listing on the Australian Securities Exchange of CHES Depository Interests over ordinary shares ("**Proposed Transaction**"). Any and all references to "Conrad" in this Legal Opinion mean Conrad and its Affiliates.

In relation to the Proposed Transaction, we were instructed to and have conducted legal due diligence on Conrad's Indonesian assets and activities. The list of oil and gas Production Sharing Contracts (PSCs) and Joint Study Appointments (JSAs) are listed in Appendix 1 of this Legal Opinion.

Whenever the words "*to the best of our knowledge*" are used in this Legal Opinion, that use implies that we have no actual knowledge to the contrary and, unless specifically stated, no inference should be drawn that we have made any investigation outside of our own files as to any of the matters to which we refer.

This Legal Opinion is delivered at the request of Conrad and will be incorporated in Annexure F of the prospectus prepared connection with the Proposed Transaction ("**Prospectus**").

1. SUMMARY

1.1 This Legal Opinion is subject to the assumptions and qualifications set out under Section 5, *Assumptions*, and Section 7, *Qualifications* and, in our opinion:

- Each of the Project Documents constitutes the legal, valid, and binding rights and obligations of the respective party in accordance with the terms of such document, except Offshore North X-Ray PSC where SKK Migas and MEMR have acknowledged and approved the termination of the Offshore North X-Ray PSC under its 23 May 2022 letter to Conrad V;
- Each of the Project Documents have been entered into and validly authorize Conrad during the relevant term of the Project Documents to conduct petroleum operations and upstream oil and gas business in Indonesia in accordance with the terms of the relevant Project Document;
- Conrad is a 76.5% participating interest owner of the Duyung PSC and 100% participating interest owner in Offshore Mangkalahat PSC and Conrad has the right to

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sell, assign, transfer, convey or otherwise dispose of all or any part of its participating interests subject to approval of SKK Migas;

- Conrad has complied with, and satisfied, all of its obligations pursuant to the Project Documents, including its exploration program firm commitments and other obligations, with the exception of:
 - the implementation of the POD for Duyung PSC, which is pending MEMR's approval to Conrad's revision proposal to the Duyung PSC POD (as a result of additional resources found at Mako field, planned increased production rates and near field gas processing facilities no longer being available). Conrad and SKK Migas have completed technical and commercial discussions in relation to the POD revision. Although the POD revision must be approved by MEMR, based on SKK Migas recommendation, we understand that Conrad has substantially secured SKK Migas alignment on the POD revision.
 - and implementation of the exploration 7th and 8th Contract Years work program for Offshore Mangkalahat PSC (due by 4 July 2023), although we understand that Conrad is actively negotiating with the Government to extend the deadline to May 2025.
- Conrad's Duyung PSC is located more than 12 nautical miles from the coastline and based on the prevailing regulation, Conrad and the Duyung PSC is not required to offer a 10% participating interest to either BUMD or other State entity. In addition, we note that MEMR has chosen not to exercise its discretion to issue an exception in the form of a specific policy requiring the divestment of 10% participating interest in the Duyung PSC to either a BUMD or other State entity and accordingly, we are of the view that the obligation to offer 10% participating interest under the Duyung PSC to any BUMD or other State entity is no longer applicable;
- A PSC contractor is subject to domestic market obligations (DMO) to supply 25% of their share of the oil and gas production (out of its equity share of production) to meet domestic needs. Notwithstanding the DMO obligation on a contractor, the DMO obligation does not extend to transportation of any DMO oil and gas production. The obligation is to make available production at the delivery point. In the case of Duyung PSC, currently there is no existing infrastructure to transport any DMO production to Indonesia. Under Article 5.2.20 of the Duyung PSC, the contractors must allow an opportunity for domestic buyers to purchase the relevant share of natural gas. If the Government of Indonesia does not nominate any potential domestic buyers or if arms-length commercial negotiation with potential domestic buyers fails, then the contractors may sell the natural gas into international market after Government of Indonesia approval. There are examples where a domestic buyer has not been nominated or commercial negotiation fails because of there is lack of infrastructure to offtake the gas.
- Based on the Oil and Gas Law and GR 35/2004, the POD must be implemented no later than five years after it is approved by MEMR (i.e., in 2024), otherwise the PSC will be automatically terminated, and the contractor shall relinquish the related working area. We understand that the Duyung PSC has an approved POD that requires revision as a result of additional resources found at Mako field, planned increased production rates and near field gas processing facilities no longer being available to accommodate Mako gas. WNEL, as operator of the Duyung PSC, has notified and is in discussions with SKK Migas to revise the initial POD related to the Mako field in order to accommodate these upgrades. Based on the Minutes of Meeting related to the meetings dated 10 May 2022, 13 June 2022, 4 August 2022, and 12 August 2022 we understand that WNEL has substantially secured SKK Migas' alignment on the POD revision. The POD revision,

Annexure F: Legal Opinion on Conrad's Oil and Gas Assets and Activities Cont.

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however, must be first approved by MEMR based on SKK Migas recommendation. Which we understand is in process following the completion of the technical and commercial discussion between SKK Migas and WNEL. Subject to the five years limit to implement the initial POD, during the process to revise the POD the Duyung PSC remains valid. The Oil and Gas Law and GR 35/2004 are silent on the treatment of the revised POD, nevertheless, considering that the regulations applied to "initial POD" and the revision to an initial POD should be deemed as part of the initial POD, we are of the view that the five (5) year timeline to complete and implement the development plan should reset and only start when the revised POD is approved by MEMR and SKK Migas;

- The Offshore Mangkalihahat PSC remains in its exploration period, until 4 July 2023, where commercial discovery is yet to be made and, accordingly, there is not yet a POD. However, the Offshore Mangkalihahat PSC has fulfilled all existing firm commitment exploration program and relinquishment obligations. Based on letter to MEMR dated 18 April 2022, Conrad OM has requested a three (3) year extension to 2025 from MEMR to further defer the outstanding exploration work program commitments for the 7th and 8th year. MEMR however, has only granted a one-year extension to complete the exploration programme by 4 July 2023. If the relevant exploration Work Program is not completed by 4 July 2023, then the Offshore Mangkalihahat PSC will automatically terminate. It is our understanding that Conrad OM is actively negotiating with the Government to accept Conrad's initial 3 (three) years extension proposal.
- Conrad V was unable to make a commercial discovery or complete the Work Program proposed for the 7th and 8th Contract Years by May 2021 for the Offshore North X-Ray PSC. However, Conrad V obtained a further one-year extension up to 23 July 2022 to implement the outstanding exploration program in the 9th Contract Year. Conrad V acquired the seismic data and based on the result, Conrad V decided not to pursue any further activities on the Offshore North X-Ray PSC. Conrad V has already advised SKK Migas that it is not planning to request a further extension and will commence the relinquishment of the PSC. Despite the ongoing relinquishment process, the PSC is automatically terminated pursuant to Article 4.5 of the Offshore North X-Ray PSC. Further, the Government of Indonesia has confirmed the termination of the Offshore North X-Ray PSC under its letter to Conrad V on 23 May 2022.
- Conrad (under its respective affiliates) is entitled to a right to match if the MEMR bids the ONWA and/or OSWA areas, over which Conrad completed joint studies, as a PSC oil and gas working area in a tender process. The commencement of the tender process of the working area, however, is entirely controlled by MEMR and based on the announcement made on 20 July 2022 DGOG has initiated the tender for this working area. Conrad has submitted their bids for both the ONWA and OSWA working areas.
- The Proposed Transaction does not trigger any Change of Control as defined under the Duyung PSC and MEMR Regulation 48/2017.
- Conrad may sell, assign, transfer, convey or otherwise dispose of all or any part of its participating interests to any third party subject to the prior consent of SKK Migas and the Government of Indonesia who will analyse the financial and technical aspects of the proposed transfer. It is our understanding that the Proposed Transaction does not include any disposal of interest under any of the Project Documents that would trigger this consent requirement.

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2. DOCUMENTS REVIEWED

- 2.1 For the purpose of this Legal Opinion, we have reviewed the documents listed in Appendix 1 of this Legal Opinion ("**Documents**"). The documents listed in Part I of Appendix 1 of this Legal Opinion shall hereinafter be collectively referred to as "**Project Documents**" and each a "**Project Document**".
- 2.2 Capitalized terms used herein shall have the meaning ascribed to them in Appendix 2 and unless otherwise defined herein, capitalized terms shall have the meaning ascribed to them under the respective Project Document.
- 2.3 The appendices form an integral part of this Legal Opinion.
- 2.4 This Legal Opinion is subject to the assumptions and qualifications set out under Section 5 *Assumptions* and Section 7 *Qualifications*.

3. INDONESIAN REGULATORY FRAMEWORK

- 3.1 Indonesian Regulatory Framework of Upstream Oil and Gas Operations and Key Regulators.

Under the Indonesian constitution, all natural resources (including oil and gas) in Indonesia belong to the State and should be used for the greatest benefit and welfare of the people of Indonesia. Adhering to this principle, there are two key regulations relevant to upstream petroleum operations in Indonesia namely the Oil and Gas Law and GR 35/2004. In addition, the law further authorizes MEMR and SKK Migas to issue implementing regulations in specific areas pursuant to their respective roles.

To allow the State to maintain sovereignty and ownership over the oil & gas resources, Indonesia introduced the first PSC regime and moved away from the traditional concession and royalty-based scheme. Since the 1960s, this model has been widely used in many other jurisdictions.

Under the PSC scheme, the State grants mining authority and mandates an auxiliary state agency to implement oil and gas business. The auxiliary executive agency (currently, SKK Migas) is authorized to enter into cooperation contracts (in the form of PSC, technical service assistance, etc..) with companies, which act as contractor to the Government. The contractor assumes petroleum exploration, development and production risks but may recover their costs from a share of production and entitlement to a percentage of net production, if they make a commercial discovery and commence production. The title to the petroleum produced remains with the State until point of delivery of the petroleum production.

Upstream petroleum operations are conducted in working areas determined by MEMR. Each contractor may only be granted one working area and, accordingly, upstream oil and gas companies operating in Indonesia must incorporate separate legal entities for each working area in which they have interest.

The term of the PSC may be awarded for a period up to 30 years and is extendable. In general, the term is divided into exploration periods and a production period.

The first six years of the PSC term is referred as the exploration period and is reserved for the PSC contractor to conduct exploration activities, including implementing the PSC's exploration firm commitment. The exploration firm commitment refers to the exploration program set out in the first three years exploration period. If the PSC contractor fails to complete the firm

Annexure F: Legal Opinion on Conrad's Oil and Gas Assets and Activities Cont.

ASSEGAF HAMZAH & PARTNERS

commitment, without an approved extension, then it shall transfer the remaining or residual budget assigned for such exploration program to the Government. The exploration period may be extended for an additional four years after securing MEMR approval, but such extension does not extend the overall term of the PSC. If no commercial discovery is made during the exploration period, then the PSC automatically terminates.

The production period commences after petroleum or hydrocarbon is discovered in commercial quantities before the expiry of the exploration period, signified by MEMR's approval to the first plan of development (POD) proposed by the PSC contractor. Notwithstanding a commercial discovery, the contractor is expected to maintain reasonable exploration efforts over the PSC area.

There are two main regulators in the areas of upstream oil & gas operations: (i) MEMR; and (ii) SKK Migas:

- MEMR represents the Government of Indonesia. MEMR's authority includes the determination of oil and gas working areas and approvals for: the PSCs entered by SKK Migas and contractors; participating interest transfers; natural gas price and volume allocation; and a first commercial discovery and plan of development (POD). MEMR may issue regulations in the form of MEMR regulations.
- SKK Migas is responsible for the management and supervision of upstream oil and gas business and commercial activities and has the authority to deal with the implementation of the PSC. SKK Migas' authority includes approval of: the contractor's work program and budget (WP&B), authorization of financial expenditures (AFE), certain provision of goods and services, and any subsequent POD. SKK Migas may issue working guidelines and process or *panduan tata kerja* (commonly referred as "PTK"). SKK Migas is supervised by a committee that includes, the MEMR, vice MEMR, Minister of Finance, Minister of Environment and Forestry, the chairman of the Indonesian Investment Coordinating Board (BKPM) and the chief of Police Force.

SKK Migas is designed to be an interim body until the Government decides on the institutional model that best fits constitutional and market requirements and then enacts such structure under a new oil and gas law. Previously, the auxiliary executive agency responsible for managing PSCs in Indonesia was an institution called BPMIGAS. However, on November 13, 2012, the Constitutional Court/*Mahkamah Konstitusi* ("MK") issued MK Decision 36/2012, which annulled articles of the Oil and Gas Law related to the authority, role and functions of BPMIGAS, and BPMIGAS therefore ceased to exist. MK decided that the Constitution required the Government to directly manage oil and gas resources, as opposed to only performing supervisory duties through BPMIGAS. MK also found that the State control over the country's oil and gas resources through BPMIGAS as the regulatory and monitoring body had degraded, and therefore violated the Indonesian Constitution. Since 2012, the Oil and Gas Law has been slated to be amended by the Government and House of Representatives, but it is not yet definitive when or how any new oil and gas law will take shape.

3.2 Mandatory Participating Interest Divestment

Pursuant to GR 35/2004, once the first development plan (POD) of a field is approved, the PSC contractor may be required to offer up to a 10.0% participating interest to a regional government-owned enterprise (*Badan Usaha Milik Daerah* or BUMD). MEMR has enacted MEMR Regulation 37/2016 with regards to this 10% participating interest offer. In the event that the BUMD does not accept such offer within 60 days after the offer, the contractor may be required to offer such participating interest to an Indonesian domiciled entity which is operating in Indonesia and wholly owned by Indonesian citizens or other national companies, including, but not limited to, state-owned companies, cooperatives, small enterprises and national private

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companies (each a "National Company"). If, within 60 days, no National Company accepts the offer, then the offer lapses. Any such obligation to offer 10.0% participating interest is different in each PSC. Under MEMR Regulation 37/2016, the BUMD cash calls are funded by existing contractors ("Carry Amount") and the Carry Amount is refunded to the existing contractors from the production proceeds, without bearing any interest. Consequently, the BUMD's share of hydrocarbon production shall be used first to repay the Carry Amount.

This regulation provides that it is only contractors whose working area is located onshore or offshore not more than 12 nautical miles which are required to offer 10.0% of participating interest to BUMD. Contractors whose working area is located offshore for more than 12 nautical miles are not subject to MEMR Regulation 37/2016, but MEMR may issue an exception in the form of specific policy in this respect based on national interest. MEMR 37/2016 is silent with respect to the timing of which MEMR must exercise its discretion to require the Duyung Contractor to offer the 10% participating interest to a BUMD or SOC, but we are of the view that MEMR has chosen not to exercise this discretion for the Duyung PSC. Had MEMR wished for the Duyung PSC Contractors to offer 10% participating interest under the Duyung PSC to any BUMD or SOC, it would have done so when providing the approval to the POD. This is consistent with the process to offer 10% interest to the BUMD in general. Accordingly, the obligation to offer 10% participating interest under the Duyung PSC to any BUMD or SOC is no longer applicable.

3.3 Sales of Natural Gas and Domestic Market Obligation

PSC contractors are subject to the domestic market obligation (DMO) requirement set out under the PSC and GR 35/2004 where PSC contractors are required to supply 25% of its share of the oil and gas production (out of its equity share of production) to meet domestic needs.

However, the DMO obligation on a contractor does not extend to transportation of any DMO oil and gas production. The obligation is to make available production at the delivery point. In the case of the Duyung PSC, there is currently no existing infrastructure to transport any DMO production to a domestic buyer. Under Article 5.2.20 of the Duyung PSC, upon commercial discovery of natural gas, the Government of Indonesia shall provide the opportunity to a domestic buyer to purchase the relevant natural gas to satisfy the contractors' DMO.

However, if the Government of Indonesia does not nominate any potential domestic buyers or if arms-length commercial negotiation with potential domestic buyer fails, then the contractors may sell the natural gas into the international market after Government of Indonesia approval. There are examples where a domestic buyer has not been nominated or commercial negotiation fails because of there is lack of infrastructure to off take the gas.

Due to the nature of natural gas, production entitlements of the State and the PSC contractor are sold and delivered in a commingled stream where the PSC contractor sells the State's entitlement on behalf of the Government. By virtue of MEMR Regulation 6/2016, MEMR approves the allocation, utilization and price of natural gas produced and sold by the PSC contractors, both for domestic and/or export purposes. Allocation and utilization of natural gas for domestic needs is prioritized for (i) the support of the Government program for natural gas supply for transportation, household, and small customers; (ii) the increase of national oil and gas production; (iii) fertilizer industry; (iv) natural gas-based industry; (v) electricity supply; and (vi) industry that uses natural gas as fuel. In determining the price of the natural gas, the MEMR must consider the economics of the field while also taking account the financial ability of the domestic buyer. In addition, under the PSC and Oil and Gas Law, the price of the natural gas shall be structured to optimize the revenue from the gas production.

Lastly, under MEMR Regulation 8/2020, the MEMR may further specify special gas price for certain domestic sales (*Harga Gas Bumi Tertentu* or the "Certain Natural Gas Price") to specific

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end users in the following industries: petrochemical, fertilizer, steel, oleochemical, ceramic, glass, and rubber glove industry by considering, among others, national and international market prices. The Certain Natural Gas Price is capped at USD 6 / MMBTU at the buyer's plant gate but subject to price escalation set out under MEMR Regulation 8/2020. Although the Certain Natural Gas Price is lower than market price, the Government guarantees that the PSC contractor's entitlement would not be affected and the reduction in revenue caused by implementation of the Certain Natural Gas Price is taken from the State's gas entitlement.

3.4 Change of Control

Under the PSC, change of control is defined as any direct or indirect change of control of a participating interest holder of a PSC (whether through merger, sale of shares or other equity interests, or others) through a single transaction or series of related transactions ("**Change of Control**") and "**Control**" is defined as direct ownership (by holding company with one level above) or indirect ownership through (a) a majority ownership of the voting stock, if the company is a corporation issuing stock, or (b) a majority ownership of the controlling rights or interests, if the other entity is not a corporation issuing stock, or (c) an agreement designated by the shareholders of stock/interest to vote for a Controller (being the Controlling shareholder).

Pursuant to the PSC and MEMR Regulation 48/2017, any proposed direct Change of Control shall obtain the approval of the Government of Indonesia through SKK Migas, provided always that the participating interest holder shall continue to meet the qualifications as contractor and to be fully liable in executing its obligations under the PSC. Conversely, in the event of any indirect Change of Control, the participating interest holder is only required to notify the GOI through SKK Migas.

We understand that upon consummation of the Proposed Transaction, there will not be any new shareholder that will Control Conrad. In such case, the Proposed Transaction would not trigger any Change of Control as defined under the Duyung PSC and MEMR Regulation 48/2017.

3.5 Joint Study and the Tender Process of Upstream Oil and Gas Working Area

After an area is determined by MEMR as an oil and gas working area, the Director General of Oil and Gas (DGOG) of MEMR may put a working area out to tender and invite bids for an interest in the area, taking into account the consideration and opinion of SKK Migas. Awards of work areas are granted based on either a competitive open tender process or a direct offer, as regulated under MEMR Regulation 35/2021.

The competitive tender process is for working areas prepared by DGOG while the direct offer process is implemented based on a company's written proposal for a working area that has not been reserved for the bidding process (i.e., open area). If DGOG approves such proposal for direct offer, the company will be appointed and assigned to conduct a joint study (i.e., a survey activity conducted by the company together with DGOG to locate potential oil and gas fields).

Joint Studies shall be conducted over an eight month period which can be extended. All costs and risks in the implementation of the joint study is borne by the proposing company. The joint study only extends to minimum geological and geophysical work (for example, field surveys, magnetic surveys, reprocessing of existing seismic lines etc.). Upon completion of the joint study, the company must deliver the data it has collected to DGOG which may then elect to hold a bidding process for the working area. The company which conducted a joint study with DGOG has the right to match in any subsequent bidding process for a PSC, but otherwise they have no preferential treatment.

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4. OVERVIEW OF THE PROJECTS

This section provides an overview and key points of Conrad's upstream oil and gas interests and activities in Indonesia which is categorized into two categories: (i) PSC; and (ii) Joint Studies.

Conrad's PSCs comprise:

- i. Duyung PSC operated by West Natuna Exploration Ltd. ("**WNEL**");
- ii. Offshore Mangkalahat PSC operated by Conrad Petroleum OM Pte ("**Conrad OM**"). Ltd.; and
- iii. Offshore North X-Ray operated by Conrad Petroleum (V) Limited ("**Conrad V**").

The Joint Studies consist of:

- i. the joint studies related to Offshore North West Aceh ("**ONWA**") conducted by Frontier Point Limited ("**FPL**"); and
- ii. The joint studies related to Offshore South West Aceh ("**OSWA**") conducted by Conrad Petroleum Ltd. ("**Conrad Petroleum**").

4.1 Duyung PSC

The Duyung PSC was entered on 16 January 2007 and is effective for 30 years until 16 January 2037. The working area is located at the Natuna Sea.

WNEL, the Duyung PSC contractor, has completed its exploration program firm commitments as well as its relinquishment obligations where it retains 926.94 km² of contract area (20% of the initial contract area).

The Duyung PSC has found commercial discovery in the form of natural gas on the Mako field and the first POD of Mako field was approved by the MEMR and SKK Migas in 2019 with the following scope:

- gas production of 84,14 BSCF (raw gas) or 82,47 BSCF (sales gas);
- drilling of 3 development wells;
- construction of offshore platform with 2 phase separators and compressor; and
- construction of 16 km subsea gas transportation pipe.

However, we understand that the approved POD requires revision as a result of additional resources found at Mako field, planned increased production rates and near field gas processing facilities no longer being available to accommodate Mako gas. WNEL as operator of the Duyung PSC has notified and is in discussions with SKK Migas regarding the process to revise the POD related to the Mako field in order to accommodate these upgrades. In our opinion, it is customary to seek revisions to a POD to incorporate such upgrades. During the period to revise the initial POD, but no later than July 2024, the PSC remains valid to allow the Duyung PSC Contractors to be implementing the initial POD. Based on the Oil and Gas Law and GR 35/2004, a POD must be progressed no later than five years after the POD is approved

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by MEMR (i.e., in 2024), otherwise the Duyung PSC will automatically terminate, and the contractors shall relinquish the related working area.

Based on the Minutes of Meeting related to the meetings dated 10 May 2022, 13 June 2022, 4 August 2022, and 12 August 2022 we understand that WNEL has substantially secured SKK Migas’ alignment on the POD revision as follows:

- Increase of production capacity to 120 MMSCFD with potential ramp-up to 150 MMSCFD (from previous production capacity of 44 MMSCFD);
- Eight production wells;
- Gas production processed at infield processing facility using chartered MOPU;
- Export pipeline tie-in at existing West Natuna Transportation System (WNTS).

The POD revision, however, must be first approved by MEMR based on SKK Migas recommendation. Which we understand is in process following the completion of the technical and commercial discussion between SKK Migas and WNEL.

The Oil and Gas Law and GR 35/2004 are silent on the treatment of a revised POD, nevertheless, considering that the regulations applied to “initial POD” and the revision to an initial POD should be deemed as part of the initial POD, we are of the view that the five (5) year timeline to complete and implement the development plan restarts when the revised POD is approved by MEMR and SKK Migas;

The fiscal structure related to the Duyung PSC was initially structured under ‘conventional’ cost recovery production sharing scheme but was then converted to a gross split scheme on 17 January 2019. The gross split scheme shares the gross production between the contractor (before tax) and the Government without any deduction for cost recovery. The split starts off from a mandatory base split between the Government and PSC contractors may then be adjusted by various variable and progressive components – depending on the characteristics of the field and also the level of production.

Under the Duyung PSC, the split of take between the GOI and Contractors from natural gas has three components: Base Split, Variable Split and Progressive Split. The Base and Variable Splits for Duyung for natural gas are:

	GOI TAKE	CONTRACTORS TAKE
Base Split		48%
Variable Split		20%
Total	32%	68%

Depending on the actual price and production realization, the above gross Split will be further adjusted by the Progressive Components pursuant to the following scale set out under Exhibit G of the Duyung PSC:

No.	CHARACTERISTIC	PARAMETER	CONTRACTOR’S ADDITIONAL TAKE ADJUSTMENT (%)
1.	Crude Price (USD/barrel)	(85-ICP) x 0.25	
2.	Gas Price (USD/MMBTU)	< 7	(7- gas price) x 2.5

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No.	CHARACTERISTIC	PARAMETER	CONTRACTOR'S ADDITIONAL TAKE ADJUSTMENT (%)
		7 – 10	0
		> 10	(10 – gas price) x 2.5
3.	Oil and gas cumulative production (MMBOE)	< 30	10.0
		30 ≤ x ≤ 60	9.0
		60 ≤ x ≤ 90	8.0
		90 ≤ x ≤ 125	6.0
		125 ≤ x ≤ 175	4.0
		≥175	0.0

The Participating Interests related to the Duyung PSC are held by the following parties:

PARTICIPATING INTEREST HOLDER	PERCENTAGE
WNEL	76.5%
Empyrean	8.5%
Coro	15%

WNEL, Empyrean and Coro are parties to the Duyung JOA signed on 21 May 2020. The Duyung JOA governs the parties' rights and obligations in relation to the operation and activities of Duyung PSC and generally follows the Association of International Petroleum Negotiators (AIPN)¹ model contract. WNEL is designated as the Operator under the JOA and is responsible for carrying out Joint Operations on behalf of all parties, the costs of which are chargeable to the joint account. Non-operators pay their shares of cost pursuant to their participating interest percentage based on the operator's cash calls.

Although WNEL is the designated operator, Joint Operations are supervised by an Operating Committee established by the parties. Subject to the below, decisions of the Operating Committee generally require either simple majority voting or a 75% vote, based on the parties' respective participating interest. WNEL as the holder of 76.5% participating interests and so has the ability to control and make decisions in the Operating Committee.

There are two types of matter that require separate voting thresholds:

1. Matters that require a unanimous vote:
 - a. the voluntary relinquishment or surrender of all or any part of the Contract Area (except if required by the PSC);
 - b. any elective unitisation (not imposed by the GOI) of any of the Contract Area with an adjoining area;
 - c. the voluntary termination of the PSC; and

¹ now referred AIEN (Association of International Energy Negotiators)

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- d. amendments to the PSC.
2. Matters that require the affirmative vote of two (2) or more unrelated parties holding collectively at least 75% of Participating Interests:
 - a. approval of any POD or material revision of any approved POD;
 - b. approval of a Development Work Program and Budget or material revision of any Development Work Program and Budget; and
 - c. any transaction with an Affiliate of the Operator.

4.2 Offshore Mangkalihah PSC

Offshore Mangkalihah PSC was entered into on 15 May 2013, and effective for 30 years until 15 May 2043. The participating interest under Offshore Mangkalihah PSC is 100% held by Conrad OM.

The form of Offshore Mangkalihah PSC is generally consistent with other cost recovery scheme production sharing contracts in Indonesia and the split of production entitlement between Government and Conrad OM is as follow:

Crude Entitlement

SKK Migas	41.6667%
Contractor	58.3333%

Natural Gas Entitlement

SKK Migas	33.3333%
Contractor	66.6667%

Offshore Mangkalihah PSC remains at the exploration period where commercial discovery is yet to be made and, accordingly, there is not yet a POD. However, the Offshore Mangkalihah PSC has fulfilled all firm commitment exploration program and relinquishment obligations.

The initial exploration period (first six years) was initially valid from 2013 to 2019, but the Government approved an additional four-year exploration period to 15 May 2023. The extension was contingent upon Conrad OM implementing and completing the proposed exploration work program for the 7th and 8th contract years by May 2022. These work programs are not considered as exploration firm commitments and there is no repercussion or penalty against Conrad OM for not implementing these exploration programs. There are two outstanding work items for the 7th and 8th exploration period namely 2D seismic acquisition covering 250 sq. km (at a cost of US\$ 1.3 million) and an exploration well (at a cost of US\$ 15 million).

Conrad OM has obtained another extension to the Mangkalihah Exploration Extension from SKK Migas and MEMR by virtue of SKK Migas letter No. SRT-0121/SKKME000/2022/SI dated 11 July 2022 and MEMR letter No. T-195/MG.04/MEM.M/2022 dated 5 July 2022. The extension which is valid from 5 July 2022 until 4 July 2023 and was approved under the following conditions:

1. the Mangkalihah Exploration Extension does not change the duration and term of the Offshore Mangkalihah PSC;

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2. during the Mangkalihah Exploration Extension period, Mangkalihah Contractor shall complete work program of drilling for 1 (one) exploratory well;
3. Conrad OM as Mangkalihah Contractor shall maintain participating interest no less than 50% and remain as the Operator of Offshore Mangkalihah Contract Area until Offshore Mangkalihah PSC is terminated or expires;
4. the Offshore Mangkalihah PSC shall be automatically terminated if during the Mangkalihah Exploration Extension:
 - a) the Contractor fails to complete the drilling of one exploration well;
 - b) the Contractor fails to maintain participating interest no less than 50% or ceases to be the Operator of Offshore Mangkalihah Contract Area; and/or
 - c) no commercial discovery is found

It is our understanding that Conrad OM is actively negotiating with the Government to accept Conrad OM's initial proposal to complete the remaining exploration well by 2025 (instead of 2023).

4.3 Offshore North X-Ray (ONXR) PSC

The Offshore North X-Ray PSC is a conventional cost recovery production sharing contract entered on 15 May 2013 and is effective for 30 years up to 15 May 2043. Offshore North X-Ray is located approximately 100 km north of the West Java coastline. The block has an area of 803 sq. km and is held 100% by Conrad V.

Conrad V has completed its exploration firm commitment and relinquishment obligations but has not made a commercial discovery. The exploration period has been extended for an additional four-year period, up to 2023. The exploration period was granted subject to Conrad V completing the the proposed 7th and 8th contract year exploration program by the end of the 8th contract year (i.e., May 2021). These work programs are not considered as exploration firm commitments and there is no repercussion or penalty against Conrad V for not implementing these exploration programs.

In accordance with Article 4.5 of the Offshore North X-Ray PSC, if Conrad V fails to complete the Work Program proposed for the 7th and 8th Contract Years by May 2021, then notwithstanding anything to the contrary, the Offshore North X-Ray PSC should be automatically terminated in its entirety. However, Conrad V obtained a further one-year extension to defer implementation of the exploration program until 23 July 2022 and allow for the acquisition of seismic data in ONXR PSC during the 9th Contract Year. Conrad V acquired the seismic data and, based on the result, the company decided not to further pursue any activities on the PSC. Conrad V has already advised SKK Migas that is not planning to request a further extension and the Conrad V has started relinquishing the contract area to the Government of Indonesia during May 2022 (e.g., the return of data, excess materials, etc). Despite the relinquishment process, the PSC is automatically terminated pursuant to Article 4.5 of the Offshore North X-Ray PSC. SKK Migas and MEMR has acknowledged and approved the termination of the Offshore North X-Ray PSC under its letter to Conrad V on 23 May 2022.

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4.4 Joint Studies

Conrad, through its affiliates FPL and Conrad Petroleum, completed two joint studies at the west coastline of the Aceh province. The joint studies were conducted for eight months from 23 November 2018 to 23 July 2019 and comprised of general surveys of the areas where the data and findings have been submitted to and accepted by MEMR.

Under the regulations, Conrad is entitled to a right to match if the MEMR bids either of these areas as a PSC oil and gas working area in a tender process. Based on the announcement made on 20 July 2022 MEMR has initiated the tender for this working area and Conrad has submitted their bids for both the ONWA and OSWA working areas. MEMR has confirmed receipt of the bids but we have not made any inquiry or review the substance of the bid.

5. ASSUMPTIONS

For the purpose of rendering this Legal Opinion, we have assumed:

- 5.1 the capacity, power and authority of the parties to the Project Document to execute the Project Documents and to perform their obligations thereunder;
- 5.2 the genuineness and authenticity of all signatures (including that the signatures provided in the Documents are the authentic signatures of the person that they purport to be), and the authenticity of all Documents submitted to us as originals and the authenticity of the originals of all documents submitted to us as copies thereof and the conformity of such copies with the originals, and the accuracy of the translation of any Document;
- 5.3 the accuracy and completeness of all factual representations and warranties contained in the Documents and information provided to us to the extent they are not opined hereto;
- 5.4 that the Documents submitted to us are accurate and complete, have not been, unless otherwise provided to us, further changed, amended, supplemented, nullified, terminated, revoked or rescinded and are in full force and effect, and that there is no document fraud relating to the Documents;
- 5.5 that the Project Documents have been entered into for a *bona fide* commercial reason and on arm's length terms by each of the parties thereto and that there is no bad faith, or intention to use fraud, undue influence, coercion or duress on the part of any party to the Project Documents;
- 5.6 that all licenses, consents, approvals, notices, filings, recordation, publications, and registrations which are necessary under any applicable laws and regulations (other than those of Indonesia and opined herein) and any contract binding upon the parties to the Project Documents, in order to permit the execution or performance of the Project Documents and the Proposed Transaction, or to protect or preserve any interest created by the Project Documents have been, or will be, made and obtained within the period permitted by such laws, regulations and contract;
- 5.7 that the Project Documents have been executed by the authorized signatory(-ies) of the parties thereto, all consents, approvals, notification as required by prevailing laws and regulations (other than those of Indonesia) have been, or will be, obtained or made by such authorized signatory(-ies) and such authorized signatory(-ies) has the authority to execute the Project Documents;

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- 5.8 that any and all entities/departments of the government of Indonesia or any political subdivision thereof ("**Government**"), when issuing licenses, permits, certificates, approvals or any other authorization, or similar instrument for or in favour of Conrad, its Affiliates or any of its business or assets ("**Governmental Licenses**"): (a) have proper power and authority to issue those Governmental Licenses; and (b) have done so in accordance with prevailing laws and regulations, and the application submitted by Conrad or its Affiliates pursuant to which the Governmental Licenses were issued have included any and all other consents, approvals, permits, recommendations that may be required either by law or regulations or as a matter of policy in order to apply and obtain such Governmental Licenses;
- 5.9 that the regulations applicable to Conrad or its Affiliates issued by the relevant regional governments (if applicable) where Conrad or its Affiliates own and operate their assets or operate their businesses do not deviate in material terms with the national regulatory framework on the same matters;
- 5.10 that none of the opinions expressed below will be affected by the laws (including the public policy) of any jurisdiction outside Indonesia;
- 5.11 that there are no provisions of the laws of any jurisdiction outside Indonesia which would be contravened by the execution of the Project Documents and that, insofar as any obligations under the Project Documents are to be performed in any jurisdiction outside Indonesia, their performance will not be illegal or unenforceable by virtue of the laws of that other jurisdiction;
- 5.12 we do not provide any opinion related to the due incorporation of any entity established under foreign jurisdictions other than Indonesia law and that Conrad and its non-Indonesian Affiliates are duly established and incorporated pursuant to the relevant laws where they are established, the board of directors or any officers of Conrad and its non-Indonesian Affiliates are the incumbent person having the authority to represent and bind Conrad and its non-Indonesian Affiliates in a commercial transaction, and no other arrangement or agreement has been entered into between the shareholders of Conrad or its Affiliates that will affect the legality, validity and enforceability of the Project Documents, and that there were no defects in the incorporation of Conrad or its Affiliates which may be the basis for a court to dissolve Conrad or its Affiliates or deem it has never existed;
- 5.13 we do not provide any opinion on any Project Document governed under foreign jurisdictions other than Indonesia and that we assume that the non-Indonesian law governed Project Document is valid and enforceable according to its terms;
- 5.14 that each of the business authorizations, permits and licenses ("**Licenses**") as set forth in Part II (*Business Licenses*) of Appendix 1 *List of Documents Reviewed* of this Legal Opinion constitutes the legal, valid, binding, current Licenses of, and the only Licenses relevant to conduct its business operations and activities that it currently conducts;

6. LEGAL OPINIONS

Subject to the assumptions and qualifications contained herein, we are of the opinion that:

Validity and enforceability of Project Documents

- 6.1 Each of the Project Documents constitutes the legal, valid, and binding rights and obligations of the respective party in accordance with the terms of such document, except for Offshore North X-Ray where SKK Migas and has acknowledged and approved the termination of the Offshore North X-Ray PSC under its 23 May 2022 letter to Conrad V.

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- 6.2 It is not necessary under the laws of Indonesia in order to ensure the validity, effectiveness and enforceability of each of the Project Documents or any part of it that it be filed, registered or recorded in any public office or elsewhere or that any other document or instrument relating thereto be executed, filed, registered or recorded; and no consent, approval, authorization or filing, registration or recording with, any government or other authority or body is required under the laws of Indonesia in connection with the execution and performance by Conrad and its Affiliates of its obligations under the Project Documents.
- 6.3 Each of the Project Documents have been entered into and validly authorizes Conrad and its Affiliates to conduct petroleum operations and upstream oil and gas business in Indonesia in accordance with the terms of the relevant Project Document (upstream petroleum operations includes the exploration, processing, storage, development, construction, extraction, production, transportation, marketing, and abandonment & site restoration).
- 6.4 To ensure the enforceability and admissibility into evidence of the Project Documents in Indonesia, it is not necessary that any tax, imposition or charge be paid in Indonesia on or in respect of the Project Documents, except for the payment of stamp duty in the amount of Rp 10,000 (ten thousand Rupiah) in respect of such document.

Employment

- 6.5 Conrad through its Affiliate, WNEL, is in compliance with Indonesian Labour Law with respect to the employment of its national employees except that WNEL's company regulations is pending the formal validation from the Ministry of Manpower. From the information provided by Conrad, the draft of the company regulations has been endorsed by SKK Migas, where such endorsement is required prior to obtaining validation from the Ministry of Manpower. In our opinion, the company regulations submitted to SKK Migas for endorsement are in the form that is generally accepted and customarily adopted by similar oil and gas companies in Indonesia. Company regulations are valid for a period of two years, and, based on precedent, in the absence of valid company regulations then any industrial relation issue may be referred to the preceding company regulation of WNEL or the applicable laws. While the process to validate the company regulation is delayed due to SKK Migas process, WNEL may be subject to administrative fine in the amount of IDR 5 million to 50 million (around USD 340 – USD 3,400) for not having a valid company regulation.

Governing Law

- 6.6 Under Indonesian law, unless otherwise regulated, parties to an agreement are free to choose the laws which govern their agreements provided that the law chosen has sufficient relationship with the agreement or to the parties to that agreement and provided that the choice of law is not contrary to public order in Indonesia. The choice of English law as the governing law of the JOA and JOA Side Deed is a valid choice of law, which courts of Indonesia should recognize and honour. We wish to point out, however, that Indonesian courts have occasionally applied Indonesian law irrespective of the choice of foreign law by the parties to such contract, without specifically rendering the choice of law provision in the respective document as being invalid.

International Arbitration

- 6.7 Under Indonesian law, a party to a contract can irrevocably submit to the jurisdiction of an arbitration tribunal. The submission by Conrad and its Affiliates to the arbitration tribunal of UNCITRAL (United Nations Commission on International Trade Law) with respect to the matters arising under the Project Documents, are legal, valid and binding under the laws of Indonesia. Arbitration held and pronounced in Indonesia will constitute a domestic arbitration award enforceable in Indonesia and will not be subject to the procedures and qualifications of a foreign arbitration awards. We wish to point out, however, that while under Law No. 30/1999,

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Indonesian district courts are prohibited from claiming jurisdiction over a dispute which is referred to arbitration, nevertheless, we are aware that in some cases Indonesian courts do claim jurisdiction over such dispute on the basis of unlawful act as opposed to breach of contract, which accordingly may frustrate any enforcement of foreign arbitration award.

Land Titles

- 6.8 To the best of our knowledge, Conrad and its Affiliates do not hold any land titles, right, or land related licenses in relation to or for the purpose of, the performance of its oil and gas business in Indonesia. We understand that Conrad has not commenced any development and construction activities related to the petroleum operations contemplated under any of the Project Documents, and therefore does not require Conrad to hold any land titles or land related licenses. Similarly, land titles and land related licence is not required if the petroleum operation is entirely conducted offshore.

Insurance

- 6.9 Under the Project Documents, Conrad through its Affiliates is required to secure and maintain sufficient insurance during the term of the respective production sharing contracts which covers all facilities, materials, equipment, and petroleum produced and stored prior to delivery. To the best of our knowledge, there are currently no facilities, materials, equipment's and petroleum related to the assets to be insured.

Litigation

- 6.10 To the best of our knowledge, there are no litigation cases, claims or arbitration cases present, pending or threatened against and taken by Conrad and its Affiliates in relation to the Project Documents and/or its oil and gas business activities in Indonesia.

7. QUALIFICATIONS

This Legal Opinion is rendered with the following qualifications:

- 7.1 We are qualified to express an opinion only on matters of Indonesian law as in force at the time this Legal Opinion is issued, and nothing in this Legal Opinion should be construed as an opinion on any matter affected by the law of any other jurisdiction, as to which we are not qualified to give any opinion and made no investigation.
- 7.2 This Legal Opinion is provided based on our analysis on the legal aspects of the Documents reviewed, and we did not examine nor are we providing an opinion on the commercial, financial, tax, accounting or other non-legal matter aspects of the transaction (save for the matters related to stamp duty), including, without limitation, the commercial benefit of the transaction to the parties of the Project Documents.
- 7.3 The opinions herein rendered are based on the laws of Indonesia as of the date hereof accessible to the legal profession and no conclusion should be made that we will provide any updates or amendments thereto required due to any subsequent changes in the laws of Indonesia.
- 7.4 Any statement that an obligation or document is valid, binding and enforceable means that the obligation or document is of a type and form which courts in Indonesia should consider as valid, binding and enforceable and is not to be taken as to mean that either the obligation or document necessarily can be enforced in accordance with its terms in all circumstances or that the

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Indonesian courts will always consider the same as valid, binding, and enforceable. In addition, the kinds of remedies that may be granted by Indonesian court are discretionary.

- 7.5 Enforcement of an agreement in Indonesia may be: (a) subject to the principles of good faith, fairness, reasonableness and public policy and the general discretion of Indonesian courts to apply such principles, including with regard to the award of costs; (b) limited or affected by general rules and laws relating to bankruptcy, suspension of payments, insolvency and dissolution and liquidation and the discretionary powers of a court and other rules and laws of general application affecting the rights and remedies of creditors.
- 7.6 Enforcement of the Project Documents may be limited by provisions of the Indonesian Civil and Commercial Codes and other laws that cannot be specifically waived by the parties thereto.
- 7.7 Claims may become time barred under Indonesian laws imposing limited time periods within which suits, actions or proceedings can be brought or may be or become subject to a defense of set off or counterclaim.
- 7.8 The rights and obligations of the parties under the relevant Project Documents are, to the extent that the laws of Indonesia are or would be deemed applicable, subject to the principle of good faith (*itikad baik* or *tegoeder trouw*), which under Indonesian law governs the relationship between parties to a contract and which in certain circumstances may limit or preclude reliance on, or enforcement of, contractual terms and provisions.
- 7.9 Decisions by an Indonesian court as to matters of Indonesian law are not binding on lower courts or on the same court in any subsequent case. Indonesian court judgments are not systematically published, and the courts are often unfamiliar with sophisticated commercial or finance transactions, leading in practice to a lack of certainty in the interpretation and application of Indonesian legal principles.
- 7.10 Indonesian judges have very broad fact finding and decision rendering powers and a high level of discretion in relation to the manner in which those powers are exercised. Consequently, Indonesian judges' decisions, and orders can sometimes be influenced by factors, issues and evidence which may not be apparent on the face of the relevant submitted court documents.
- 7.11 Although we understand from Conrad that there is no pending, threatened, or ongoing litigation involving Conrad and its Affiliates in Indonesia, it is not customary and nor did we conduct any independent searches on the filing of any litigation, including civil, criminal, labour, arbitration, tax dispute, dispute in relation to the state administrative proceedings, by or against Conrad and its Affiliates in the relevant courts having jurisdiction, which may affect the matters opined on herein. Such court search may not be accurate and conclusive to determine any pending or threatened litigation against a party.
- 7.12 Pursuant to the Law of Indonesia Number 7 of 2011 regarding Currency ("**Law No. 7/2011**"), Rupiah must be used as legal tender for settlement of domestic payment obligations, except for: (a) certain transactions for the implementation of state revenue and expense budget (*anggaran pendapatan dan belanja negara*), (b) receipt or provision of grant from or to foreign countries, (c) international trade transactions, (d) deposits in banks in a foreign currency, or international financing transactions. Aside from the above, the implementing regulation of Law No. 7/2011, namely Regulation of Bank Indonesia No. 17/3/PBI/2015 regarding Mandatory Use of Rupiah in the Republic of Indonesia ("**BI Regulation No. 17/3**") provides that exemption to use foreign currency is subject to Bank Indonesia approval. Based on Bank Indonesia letter No. 18/3/GBI-DKSP/Srt/B dated 23 February 2016, Bank Indonesia has temporarily exempted transactions related to the upstream oil and gas industry to 2026.

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- 7.13 The first plan of development (POD) for the Duyung PSC was approved by MEMR by virtue of its letter No. 73/12/MEM.M/2019 dated 22 February 2019 and SKK Migas by virtue of its letter No. SRT-0126/SKKMA0000/2019/S1 dated 6 March 2019, where we understand that that the POD has not yet been implemented. Based on PTK 037, the Duyung Contractor must carry out the main activities, i.e., drilling and/or construction of production facility works within two (2) years following the approval of the POD and submit annual monitoring reports to SKK Migas. Failure to comply with such requirements will give rise to the right of SKK Migas to review the POD approval and/or issue a performance deficiency notice under Section 13.5 of the Duyung PSC. Based on the minutes of meeting between WNEL and SKK Migas dated 8 September 2021 on Project Monitoring Meeting (PMM) Project Mako, we understand that the assumptions under the existing POD may need to be adjusted because of the additional reserves found in the Mako field, resulting higher production rates, and near field gas processing facilities no longer being available to accommodate Mako gas. Chapter 1 Section 2.2 of PTK 037 allows changes in the POD to adapt with additional data and new information. To the best of our knowledge, the POD revision has been submitted by WNEL. Based on the Minutes of Meeting related to the meetings dated 10 May 2022, 13 June 2022, 4 August 2022, and 12 August 2022 we understand that WNEL has substantially secure SKK Migas' alignment on the POD revision. The POD revision, however, must be first approved by MEMR based on SKK Migas recommendation. Which we understood is in process following the completion of the technical and commercial discussion between SKK Migas and WNEL. Based on the Oil and Gas Law and GR 35/2004, the POD must be implemented no later than five years after the POD is approved by MEMR, otherwise the Duyung PSC will be automatically terminated. Subject to the five years limit to implement the initial POD, during the process to revise the POD the Duyung PSC remains valid. The Oil and Gas Law and GR 35/2004 are silent on the treatment of the revised POD, nevertheless, considering that the regulations applied to "initial POD" and the revision to an initial POD should be deemed as part of the initial POD, we are of the view that the five (5) year timeline to complete and implement the development plan should reset and only start when the revised POD is approved by MEMR and SKK Migas;
- 7.14 Our Legal Opinion does not cover any operational or environmental licenses related to the development and construction of production facilities contemplated under any Project Document because the development and construction of the production facilities has not commenced.
- 7.15 Conrad right to sell, assign, transfer, convey or otherwise dispose of all or any part of its participating interest to any affiliated or non-affiliated party is subject to the prior consent of SKK Migas and the Government of Indonesia. Although under the applicable regulations SKK Migas and the Government of Indonesia will analyse the financial and technical aspects of the transfer, the Government of Indonesia has the discretion to approve or reject the transfer. The Proposed Transaction does not include any disposal of interest under the Project Documents.

Our opinion contained herein is provided as at 9 September 2022 and is reserved to matters of the Indonesian law prevailing at that date. Except for the inclusion of this Legal Opinion in the Prospectus and any other documents in connection with the Proposed Transaction, this Legal Opinion may not be relied upon for any other purpose or by any other person nor quoted nor referred to in any other public document nor filed with any government agency or other person without our express prior written consent (such consent not to be unreasonably withheld or delayed), but can be disclosed:

- (a) to the respective successors and permitted (and potential) assignees, transferees or sub-participants of the addressee;
- (b) to the professional advisers of the addressee solely in connection with the Proposed Transaction, but furthermore only on the basis that:

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- (i) no such person shall be entitled to rely on this opinion and this opinion shall be deemed as information only;
 - (ii) each of such person agrees to keep this Legal Opinion confidential or is subject to pre-existing obligations of confidentiality in respect thereof and we bear no responsibility whatsoever to such person; and
 - (iii) no such person may provide a copy of this opinion to any other person without our consent in writing; and
- (c) to the authorised officials of the ASX and ASIC only in relation to the Proposed Transaction; and
- (d) for the purposes of inclusion in the Prospectus to be issued in connection with the Proposed Transaction.

Notwithstanding the above, the addressee may disclose this Legal Opinion without our written consent solely: (1) to the extent required by law or regulation in any jurisdiction in which the addressee is subject to government or regulatory authorities, or (2) in conjunction with proceedings relating to transactions contemplated in this Legal Opinion.

We have given our written consent for the inclusion of this Legal Opinion in the Prospectus, in the form and context in which it is included, and we have not withdrawn our consent prior to the lodgement of the Prospectus with the Australian Securities and Investments Commission.

Yours faithfully,
Assegaf Hamzah & Partners

Assegaf Hamzah & Partners

ASSEGAF HAMZAH & PARTNERS

Appendix 1 List of Documents Reviewed

PROJECT DOCUMENTS

Production Sharing Contracts (PSC)	
1.	Production Sharing Contract between BP MIGAS and Transworld Exploration Ltd for Duyung Contract Area dated 16 January 2007
2.	Amended and Restated Duyung PSC between SKK Migas and West Natuna exploration Ltd. for Duyung Contract Area dated 17 January 2019
3.	Production Sharing Contract between SKK Migas, Samudra Energy Mangkalahat Limited and Caelus Energy Mangkalahat Pte., Ltd., dated 11 November 2019
4.	Amendment to Offshore Mangkalahat PSC between SKK Migas, SDA Mangkalahat Pte., Ltd., and Samudra Energy Mangkalahat Limited dated 15 May 2013
5.	Deed of Assignment between Conrad, SDA Mangkalahat Pte., Ltd., and Samudra Energy Mangkalahat Limited dated 10 February 2020
6.	Production Sharing Contract between Conrad V and SKK Migas for Offshore North X-Ray Area dated 15 May 2013
7.	Conrad Petroleum Offshore Mangkalahat Pte. Ltd. Letter No. 018/CPOM/MAN/IV/2022 dated 28 April 2022 on Application for Time Extension of Work Program in Offshore Mangkalahat Working Area
8.	SKK Migas Letter No. SRT-0187/SKKMA0000/2022/S1 dated 23 May 2022 on Termination Approval of Offshore North X-Ray PSC
9.	SKK Migas Letter No. SRT-0121/SKKMA0000/2022/S1 dated 11 July 2022 on Approval to Additional Exploration Period (2) for Offshore Mangkalahat Working Area
10.	Minutes of Meeting between WNEL and SKK Migas to the meetings dated 10 May 2022 and 13 June 2022 on Subsurface Technical Evaluation related to POD I Revision of Mako Field, signed by Head Division of Technology and Field Development of SKK Migas
11.	Minutes of Meeting between WNEL and SKK Migas to the meeting dated 4 August 2022 related to POD I Revision of Mako Field, signed by Vice Chairman of SKK Migas
12.	Minutes of Meeting between WNEL and SKK Migas to the meeting dated 12 August 2022 related to the Plenary Meeting of POD I Revision of Mako Field, signed by the Senior Manager of Field Development of SKK Migas
Joint Operating Agreement (JOA) related to Duyung PSC	
1.	Joint Operating Agreement between WNEL, Empryean Energy PLC and Coro Energy Duyung (Singapore) Pte. Ltd. dated 21 May 2020
2.	Joint Operating Agreement (Side Deed) between WNEL, Empryean Energy PLC and Coro Energy Duyung (Singapore) Pte. Ltd. dated 21 May 2020

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Joint Study	
1.	Directorate General of Oil and Gas letter No. 10375/13/DJM.E/2018 dated 23 November 2018 regarding approval for Direct Appointment Tender request for Offshore Northwest Aceh Area
2.	Frontier Point Limited (Conrad letter No. 003/FPL-CPL/CORP/SIN/XII/2018 on Responding Letter regarding Approval Request for Direct Appointment Tender for Offshore North West Aceh Area
3.	Directorate General of Oil and Gas letter No. 10377/13/DJM.E/2018 dated 23 November 2018 regarding approval for Direct Appointment Tender request for Offshore Southwest Aceh Area
4.	Conrad Petroleum Ltd. letter No. 002/CPL/CORP/SIN/XII/2018 on Responding Letter regarding Approval Request for Direct Appointment Tender for Offshore South West Aceh Area
5.	Receipt of Bid Document dated 5 September 2022 related to the tender for Offshore North West Aceh (ONWA) block
6.	Receipt of Bid Document dated 5 September 2022 related to the tender for Offshore Southwest Aceh (OSWA) block

BUSINESS LICENSES

1.	<i>BPJS Ketenagakerjaan</i> (Social Security Administrative Agency for Employment) Certificate of Membership No. 180000000469586 dated 8 June 2018 issued in the name of WNEL
2.	Screenshot certifying <i>BPJS Kesehatan</i> (Social Security Administrative Agency for Health) membership of WNEL No. 80011223
3.	<i>Nomor Induk Berusaha</i> (Business Identification Number) for WNEL No. 9120004471481
4.	Employment status report (WLTk) by Conrad V to the Ministry of Manpower No. 12430.20210219.0005 dated 19 February 2021
5.	Oil and Gas Data Utilization Permit No. 18/13/DJM.E/2022 dated 4 April 2022 for Duyung PSC – Mako Gas Field.
6.	Oil and Gas Data Utilization Permit No. 22/13/DJM.E/2022 dated 5 April 2022 for Offshore Mangkalahat PSC
7.	Employment status report by WNEL to the Ministry of Manpower No. 12430.20210219.0004 dated 19 February 2021 and No. 12430.20220202.0002 on 2 February 2022
8.	SKK Migas endorsement to WNEL's company regulation by letter No. SRT-1091/SKKMI1000/2022S8 dated 17 March 2022

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Appendix 2 Definitions

"Labour Law" means Law No. 13 of 2003 on Manpower as amended by Law No. 11 of 2020;

"Oil and Gas Law" means Law No. 22 of 2001 on Oil and Natural Gas as amended by Law No. 11 of 2020;

"Affiliates" means the wholly-owned affiliates of Conrad that are party to the Project Documents namely WNEL, Conrad Petroleum OM Pte. Ltd., Conrad V, Conrad Petroleum (V) Limited, Conrad Petroleum Ltd. and Frontier Point Limited;

"BP MIGAS" means Implementing Agency for Upstream Oil and Gas Business Activities (*Badan Pelaksana Kegiatan usaha Hulu Minyak dan Gas Bumi*) as succeeded in interest by SKK Migas (as defined herein);

"Conrad V" means Conrad Petroleum (V) Limited, a corporation organized and existing under the laws of Seychelles;

"Conrad OM" means Conrad Petroleum Offshore Mangkalihat Pte. Ltd. a corporation organized and existing under the laws of Singapore, as operator and contractor under the Offshore Mangkalihat PSC;

"Coro" means Coro Energy Plc, a company incorporated under the laws of England and Wales with company number 10472005;

"DGOG" means Directorate General of Oil and Gas under the MEMR;

"Duyung Contract Area" means the area covered by the Duyung PSC from time to time called the Duyung block, located in offshore Natuna sea, Riau Islands province, Indonesia;

"Duyung Contractor" means contractor(s) to the Duyung PSC from time to time;

"Duyung Production Sharing Contract" or **"Duyung PSC"** means the Production Sharing Contract covering Duyung Contract Area originally dated 16 January 2007, as may be amended from time to time;

"Empyrean" means Empyrean Energy Plc, a company incorporated in England and Wales with registered number 05387837;

"GOI" or the **"Government of Indonesia"** means the central government of Indonesia;

"GR 35/2004" means Government Regulation No. 35 of 2004 on Upstream Oil and Gas Activity, as amended from time to time;

"JOA Side Deed" means the Side Deed to the JOA related to the Duyung Contract Area between WNEL, Empyrean, and Coro dated 21 May 2020;

"JOA" or **"Duyung JOA"** means Joint Operating Agreement related to the Duyung Contract Area entered between WNEL, Empyrean, and Coro dated 21 May 2020;

"MEMR Regulation 37/2016" means MEMR Regulation No. 37 of 2016 on The Terms of Participating Interest 10% Offer in Oil and Gas Working Areas

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“**MEMR Regulation 48/2017**” means the Minister of Energy and Mineral Resources Regulation No. 48 of 2017 on Business Supervision within the Energy and Mineral-Resources Sector;

“**MEMR Regulation 6/2016**” means the MEMR Regulation on the Terms and Procedures related to Natural Gas Allocation, Utilization and Price Determination;

“**MEMR Regulation 8/2017**” means the Minister of Energy and Mineral Resources Regulation No. 18 of 2018 on the Gross Split Production Sharing as lastly amended by MEMR Regulation No. 12 of 2020;

“**MEMR Regulation 35/2021**” means the Minister of Energy and Mineral Resources Regulation No. 35 of 2021 on Procedures of Determining and Bidding Oil and Gas Working Areas;

“**MEMR**” means the Minister of Energy and Mineral Resources of Republic of Indonesia;

“**Offshore Mangkalihat Contract Area**” means the area covered by the Offshore Mangkalihat PSC from time to time called the Offshore Mangkalihat block, located in Tarakan Basin, Northeast Kalimantan, Indonesia

“**Offshore Mangkalihat Contractor**” means any of the contractor parties to the Offshore Mangkalihat PSC from time to time;

“**Offshore Mangkalihat Production Sharing Contract**” or “**Offshore Mangkalihat PSC**” means the Production Sharing Contract covering Offshore Mangkalihat Contract Area dated 15 Mei 2013, as may be amended from time to time;

“**Offshore North X-Ray PSC**” or “**ONXR PSC**” means the Production Sharing Contract covering Offshore North X-Ray dated 15 May 2013, as may be amended from time to time;

“**POD**” means the Plan of Development related to the Duyung Contract Area as approved by MEMR by virtue of MEMR letter No. 73/13/MEM.M/2019 dated 22 February 2019;

“**Progressive Components**” means the components under the Duyung PSC that are used as bases in progressive production sharing calculation based on the actual production rate, oil and gas prices and the cumulative volume of petroleum produced;

“**PSC**” means Production Sharing Contract;

“**PTK 037**” means SKK Migas Working Guidelines No. PTK 037/SKKMA0000/2021/S1 on Plan of Development Revision 3;

“**SKK Migas**” means the Special Oil and Gas Task Force (*Satuan Kerja Khusus Minyak dan Gas*), successor in interest of BP MIGAS, the Indonesian regulatory body in the upstream oil and gas industry;

“**USD**” means United State Dollar;

“**WNEL**” means West Natuna Exploration Limited a corporation established under the laws of British Virgin Island as operator of Duyung PSC; and

“**WP&B**” means, in respect of a Cost Recovery Scheme PSC, the Work Program and Budget submitted annually to SKK Migas for its approval and in respect of a Gross Split PSC the Work Program and Budget submitted annually to SKK Migas for its approval of the Work Program only.

ASSEGAF HAMZAH
& PARTNERS

Appendix 3 Summary Table of Oil and Gas Mining Interests of Conrad in Indonesia

PSC / PROJECT AREA	STATUS	LOCATION	AREA	CONRAD'S PARTICIPATING INTERESTS	ENTITLEMENT SPLIT	EFFECTIVE DATE	TERM
Duyung PSC	Production Period - POD revision	Offshore - Natuna sea	926,94km ²	76.5%	<u>Natural Gas*</u> GOI: 32 % Contractor: 68% <i>*Note: subject to POD revision and adjustment for the benefit of the contractors depending on the actual realization of the Progressive Components under the PSC.</i>	16 January 2007	30 years
Offshore Mangkallhat PSC	Exploration period	Offshore - northeast Kalimantan	1,640.52 km ²	100%	<u>Crude</u> GOI: 41.6667% Contractor: 58.3333% <u>Natural Gas</u> GOI: 33.3333% Contractor: 66.6667%	15 May 2013	30 years
Offshore North X-Ray (ONXR) PSC	- Termination relinquishment process	Offshore - north of the West Java coastline	803 km ²	100%	<u>Crude</u> GOI: 41.6667% Contractor: 58.3333% <u>Natural Gas</u> GOI: 33.3333% Contractor: 66.6667%	15 May 2013	30 years

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PSC / PROJECT AREA	STATUS	LOCATION	AREA	CONRAD'S PARTICIPATING INTERESTS	ENTITLEMENT SPLIT	EFFECTIVE DATE	TERM
Joint Study - Offshore North West Aceh (ONWA)	Completed	Offshore - west coastline of the Aceh province	9,236.20 km ²	100%	N/A	23 November 2018	8 months
Offshore South West Aceh (OSWA)	Completed	Offshore - west coastline of the Aceh province	8,737.20 km ²	100%	N/A	23 November 2018	8 months

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Corporate Directory

Directors

Peter Botten	Non-Executive Chairman
Jeremy Brest	Non-Executive Director
Miltos Xynogalas	Managing Director
Paul Bernard	Non-Executive Director
David Johnson	Executive Director
Mario Traviati	Non-Executive Director

Australian local agent & ASX contact

Elissa Hansen of CoSec Services Pty Ltd

Company Secretary (Singapore)

Boardroom Corporate & Advisory Services Pte. Ltd.

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Auditors

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