

Interim Report

2025

For the period ended
30th June 2025

Interim Financial Report for the Period Ended 30 June 2025

Table of Contents

Directors' Report	4
Highlights – First Half 2025.....	4
Operational & Financial Update – First Half 2025.....	6
Condensed Consolidated Statement of Comprehensive Income for the Six-Month Financial Period Ended 30 June 2025 ...	12
Condensed Consolidated Statement of Financial Position as at 30 June 2025	13
Condensed Consolidated Statement of Changes in Equity for the Six-Month Financial Period Ended 30 June 2025.....	14
Condensed Consolidated Statement of Cash Flows for the Six-Month Financial Period Ended 30 June 2025	15
Notes to Interim Financial Statements.....	17
Directors' Statement.....	39
Independent Auditor's Review Report.....	44

Corporate Directory

Conrad Asia Energy Ltd (ASX: CRD)

Directors

Peter Botten	Non-Executive Chairman
Miltiadis Xynogalas	Managing Director and CEO
David Johnson	Executive Director and COO
Paul Bernard	Non-Executive Director
Jeremy Brest	Non-Executive Director
Mario Traviati	Non-Executive Director

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Directors' Report

Directors

Peter Botten	Non-Executive Chairman
Miltos Xynogalas	Managing Director
David Johnson	Executive Director
Paul Bernard	Non-Executive Director
Jeremy Brest	Non-Executive Director
Mario Traviati	Non-Executive Director

Principal Activities

The principal activities of Conrad Asia Energy Ltd (**ASX: CRD**) (the “**Company**” or “**Conrad**”) during the half year 2025 were to carry out exploration, appraisal and development activities for natural gas in Asia. The Company has Production Sharing Contract (“**PSC**”) interests in Indonesia.

Dividends

No dividends have been declared, provided for or paid in the financial period ending 30 June 2025.

Highlights – First Half 2025

Conrad Asia Energy Ltd (**ASX: CRD**) (the “**Company**” or “**Conrad**”), an ASX-listed Asia-focused natural gas exploration and development company, is pleased to provide an overview of activities for the six-month period ending 30 June 2025 (“**Interim**”, “**Reporting Period**” or “**First Half**”) where considerable progress has been made in Conrad’s two offshore project areas in the West Natuna Sea and offshore Aceh.

In the West Natuna Sea, Conrad has continued to mature the commercial development of the Mako Gas Project in the Duyung production sharing contract (“**PSC**”). Over the Reporting Period, some major changes to the Mako Gas Sales Agreement (“**GSA**”) have occurred subsequent to the Company receiving a Directive from the Indonesian Ministry of Energy and Mineral Resources (“**MEMR**”). This Directive, arising from the very strong growth in domestic demand for gas in Indonesia, was that all gas from the Mako Gas Field (“**Mako**”) should be made available for the Indonesian domestic market in Batam. PT PLN Energi Primer Indonesia (“**PLN EPI**” or “**PLN**”) a wholly owned subsidiary of PT Perusahaan Listrik Negara (Persero) (“**PLN Persero**”)¹ will purchase the gas. PLN is the Indonesian state-owned utility company, which has a monopoly on transmission and generates the majority of electricity in Indonesia. This initiative by the Indonesian Government has provided both challenges and opportunities for Conrad with the net result being overwhelmingly positive as the project has made material progress since this initiative, as discussed below.

Subsequent to the first half 2025, on 17 July 2025 Conrad announced it had signed a GSA for the sale and purchase of natural gas from Mako with PLN EPI². PLN EPI’s parent company, PLN Persero, has over 7,000 power plants supplying over 89 million customers and sells over 288,000 GWh of electricity annually. The gas will be sold domestically, and the GSA provides for a total contract quantity of 392 trillion British thermal units (“**Tbtu**”) for a period until January 2037 and allows for the sale of up to 111 billion British thermal units per day (“**Bbtud**”). The Mako gas price will be linked to the Indonesian Crude Price (“**ICP**”),

¹ PLN Persero is the Indonesian state-owned electric utility company, wholly-owned by the Government of Indonesia through the Ministry of State-Owned Enterprise, PT Perusahaan Listrik Negara (Perser). See company profile, <https://web.pln.co.id/statics/uploads/2024/12/COM-PRO-PLN-2023.pdf>. BBB/Stable rating by Fitch Ratings, in line with Indonesia’s sovereign credit rating.

² ASX Release, “Gas Sale Agreement Signed with PLN EPI”, 17 July 2025.

which is akin to Brent oil-linked Liquefied Natural Gas (“LNG”) pricing. This structure will be economically equivalent to the average pricing previously approved for Mako gas to be sold both domestically and for export, thereby underpinning the value of gas from Mako. Subsequent to the signing of the GSA with PLN, Conrad has received strong interest from several potential investors and financiers in the Mako Gas Project resulting in Conrad signing a non-binding Term Sheet and moving into advanced negotiations with a potential investor.

Conrad has also progressed its Settlement Agreement with one of its Joint Venture partners, Coro Energy, where it previously agreed documentation between the Company and West Natuna Exploration Limited (“WNEL”), its wholly owned subsidiary and operator of Duyung Production Sharing Contract (“PSC”), Coro Energy PLC (“Coro”) and Coro Energy Duyung (Singapore) Pte Ltd, were approved by Coro shareholders on 14 May 2025. Subject to Indonesian MEMR approval, Conrad’s Participating Interest (“PI”) in the Duyung PSC would increase to 91.5% from 76.5% previously. Discussions are continuing with Conrad’s other partner in the Duyung PSC, Emphyrean Energy, to settle a default dispute. As previously announced, Conrad has issued Emphyrean with a default notice for not paying cash calls since October 2023.

In offshore Aceh where the Company owns two PSCs with a 100% working interest, Conrad has four discovered gas accumulations. During flow testing, these discoveries all successfully delivered high quality gas from structures located close to shore which constitute simple, early development opportunities to supply gas into a high demand domestic market. PLN recently announced a national gasification initiative in six cluster areas in Indonesia with the aim of converting power generation from diesel to gas³. The Nias cluster in Aceh where Conrad has its discoveries is one of those areas. A groundbreaking ceremony for this gasification infrastructure development was held on 3 July 2025⁴.

A 3D seismic programme is expected to commence in the Offshore North West Aceh (“ONWA”) PSC during late September / early October 2025. Subsequent data processing and preliminary interpretations will likely be available during the first quarter of calendar 2026. The circa 500 square kilometre seismic acquisition programme will focus on a shallow-water (50-80 metres) area that includes the cluster of three gas discoveries and six leads (see Tables 1 & 2), where previous exploratory success rates have been close to 70%.

The planned 3D seismic programme will enhance the understanding of the subsurface in the ONWA shallow water area and will provide greater certainty about the size of the existing discoveries; the scale of identified Prospective Resources; and the potential for further resource upside in this sparsely explored offshore area. The seismic will enable Conrad to pursue a Plan of Development and a campaign of further drilling to mature the resource base for gas sales which may include mini-LNG or power generation.

In the shallow-water areas of ONWA and Offshore South West (“OSWA”) PSCs, Conrad has completed an internal prospectivity assessment. Unrisked P50 Prospective Resources (100%) are now estimated to be 546 billion cubic feet (“Bcf”), 394 Bcf net attributable to Conrad held in 11 prospects and leads⁵ (see Table 1). This volume is in addition to the previously reported Contingent Resources in known discoveries⁶ (see Table 2) and the unrisked P50 Prospective Resources of 15 trillion cubic feet (“Tcf”), of which 11 Tcf net attributable to Conrad, as previously reported in the deeper water areas in the ONWA and OSWA PSCs⁷. This shallow-water Prospective Resource is substantive.

Conrad is in advanced discussions with a potential equity partner in relation to a minority, non-operated farm-in into the ONWA PSC where the 3D seismic program will be undertaken. Separately, Conrad is maturing plans to drill up to two wells in the PSCs in and around existing shallow-water discoveries and prospects. Further details on the timing of the drilling program will be provided when available.

In May 2025, Conrad received firm commitments to raise a total of A\$9 million (before costs) from new and existing

³ <https://www.reuters.com/business/energy/indonesia-embarks-long-stalled-Ing-push-displace-diesel-power-plants-2025-03-07/>

⁴ <https://tanahair.net/pln-epi-develops-gasification-infrastructure-in-nias-for-59-mw-mhp/>

⁵ Please read “Cautionary Statement” at end of this report.

⁶ ASX Release, “75% Increase in Conrad Total Net Attributable Resources”, 16 & 18 May 2023. All material assumptions and technical parameters underpinning the estimates in this market announcement have not materially changed and continue to apply.

⁷ ASX Release, “Aceh - Prospective Resources in Excess of 11 Tcf (Net)”, 16 November 2023. All material assumptions and technical parameters underpinning the estimates in this market announcement have not materially changed and continue to apply.

institutional and sophisticated investors, Directors and senior management of Conrad, with approximately 13.8 million new Chess Depository Interests (“CDIs”) issued at A\$0.65 per CDI through a two-tranche Placement. The entire Board and Management team participated in this capital raising.

Proceeds raised from the Placement will be used to support the signing of binding gas sale agreements for Mako, concluding the Duyung PSC farm-down process, a Final Investment Decision (“FID”) for Mako, and maturing gas commercialisation initiatives in Aceh including 3D seismic acquisition mentioned above.

Operational & Financial Update – First Half 2025

Duyung PSC - Mako Gas Field

76.5% Participating Interest, Operator

Conrad holds a 76.5% (increasing to 91.5% PI post-Coro transfer⁸, operated PI in the Duyung PSC (“Duyung”) via its wholly owned subsidiary WNEL. Duyung is located in the Riau Islands Province, Indonesian waters in the West Natuna area, approximately 100 km to the north of Matak Island and about 400 km northeast of Batam Island.

Refinement/optimisation of schedule and costs continued. Procurement of all major contracts and services is ongoing and is expected to conclude in the coming months with several tender closing dates having been extended at the request of potential bidders. All cost estimates will be further updated (to a ±10% accuracy) once the procurement process has been completed.

Inspection work has commenced for rigs for the Mobile Offshore Production Unit (“MOPU”) fabrication. Detailed engineering was initiated on the compressor packages – critical / long lead equipment for the MOPU processing system.

Technical and commercial work continued with the West Natuna Transportation System (“WNTS”) Joint Venture, with the support of SKK Migas, to negotiate arrangements for access to the transportation of the Mako gas to Pemping Island (domestic market). A draft gas transportation agreement has been generated and is under revision.

Technical and commercial discussions with Star Energy (the operator of the adjacent Kakap PSC) further matured a facilities sharing agreement for the tie-in of the Mako export pipeline at the Kakap KF facilities and thence to the WNTS.

A Settlement Agreement and associated documentation was agreed between the Company and WNEL, its wholly owned subsidiary and operator of Duyung, Coro and Coro Energy Duyung (Singapore) Pte Ltd⁹. The Settlement Agreement is conditional upon (i) approval from Indonesia's Ministry MEMR to the transfer by Coro Duyung of its PI to WNEL (“Government Approval”) which will typically take upwards of several months; and (ii) the approval of the terms of the Settlement Agreement by shareholders of Coro which was received at a general meeting of the shareholders held on or before 15 May 2025. Subject to MEMR approval, Conrad's PI in Duyung PSC would increase to 91.5% from 76.5% previously. The Mako field contains 2C Contingent Resources (100%) of 376 Bcf, of which, post transfer, 231 Bcf will be net attributable to Conrad (an increase of 38 Bcf to the volume reported in the Conrad YE 2024 Annual Report¹⁰).

Discussions continue with Empryan Energy to resolve their outstanding cash call arrears to Duyung PSC. Conrad notes (subsequent to the Reporting Period) the sad passing of Tom Kelly, Managing Director and CEO of Empryan Energy. Tom had worked with and contributed to the Duyung Joint Venture for many years, and the Board and Management of Conrad conveys its sincere condolences to his family and friends.

Conrad continues to engage in discussions for the farm-down and related financing for development of the Mako field where it has signed a Non-Binding Term Sheet and moving into advanced negotiations with a potential investor.

These are all important steps towards the Mako development FID which is targeted over the coming months. Revised guidance

⁸ ASX Release, “Duyung PSC Settlement Signed with Coro Energy”, 10 April 2025.

⁹ Ibid.

¹⁰ ASX Release, “Annual Report 2025, for the Year Ended 31 December 2024”, 31 March 2025.

on production start-up will be given in light of developments on the above matters.

ONWA & OSWA PSCs

100% Participating Interest, Operator

Conrad holds 100% operated interests in both ONWA & OSWA PSCs that were awarded to Conrad in January 2023. The blocks together cover approximately 20,000 square km with each PSC having a 30-year tenure. Conrad first began evaluating the ONWA and OSWA areas when it was awarded joint studies over those areas in 2019. These studies were converted to PSCs and awarded to Conrad in January 2023. The two PSCs contain four discoveries and host of exploratory targets outlined below.

Conrad will commence field activities in ONWA where a 3D seismic survey is expected to commence in late September / early October 2025. The circa 500 square kilometre seismic acquisition programme will focus on a shallow-water (50-80 metres) area that includes the cluster of three gas discoveries and six leads (see Tables 1 & 2), where previous exploratory success rates have been close to 70%.

The planned 3D seismic programme will materially enhance the Company's understanding of the subsurface in the ONWA shallow water area and will enable Conrad to pursue a campaign of further drilling and preparation of a Plan of Development with gas sales which may include mini-LNG or power generation. Acquisition of 3D seismic data in the adjacent OSWA PSC is still under evaluation. Further news will be communicated once the 3D seismic data evaluation has concluded.

In May 2023, Conrad completed independent Competent Persons Reports ("CPR"s)¹¹ on ONWA and OSWA covering the discovered biogenic gas resources in the shallow-water areas of the Aceh PSCs. The CPRs estimate a total gross (100%) 2C Contingent Resource of 216 Bcf of sales gas (162 Bcf net attributable to Conrad - see Table 2) in three of the four discovered gas accumulations in the two PSCs¹². The net attributable resource is the commercial resource attributable to Conrad after the government fiscal take. The CPRs ascribed a net present value ("NPV") of US\$88 million¹³ to the Aceh PSCs net to Conrad on its net attributable resources which is expected to be updated in early 2026. Conrad has continued to identify and evaluate commercialisation options for the discovered gas resources with PGN and PLN.

The fourth discovery, Keudapasi, has very limited seismic data (2 lines) and was not included in the Contingent Resources at this stage. The CPR has estimated that Keudapasi has a P50 Estimated Ultimate Recovery of 30 Bcf¹⁴.

Subsequent to the Reporting Period, Conrad announced¹⁵ it had completed its internal prospectivity assessment of the shallow-water areas of ONWA and OSWA where unrisks P50 Prospective Resources (100%) are now estimated to be 546 Bcf (394 Bcf net attributable to Conrad) held in 11 prospects and leads¹⁶ (see Table 1). This volume is in addition to the unrisks P50 Prospective Resources of 15 Tcf (11 Tcf net attributable to Conrad) previously reported in the deeper water areas in the ONWA and OSWA PSCs¹⁷.

Chances of discovery and development have yet to be determined. They will be reviewed subsequent to interpretation of the planned 3D seismic, commercial progress with potential gas buyers, and prior to any plans to drill¹⁸.

¹¹ ASX Release, "75% Increase in Conrad Total Net Attributable Resources", 16 & 18 May 2023. All material assumptions and technical parameters underpinning the estimates in this market announcement have not materially changed and continue to apply.

¹² Ibid.

¹³ Ibid.

¹⁴ Ibid.

¹⁵ ASX Release, "Aceh Operational and Resource Update", 12 August 2025.

¹⁶ Please read "Cautionary Statement" at end of this release.

¹⁷ ASX Release, "Aceh - Prospective Resources in Excess of 11 Tcf (Net)", 16 November 2023. All material assumptions and technical parameters underpinning the estimates in this market announcement have not materially changed and continue to apply.

¹⁸ Please read "Cautionary Statement" at end of this release.

PSC	Prospect / Lead Name	Play	Prospective Resources (Bcf)					
			Gross (100%)			Net Attributable (to Conrad)*		
			Low (P90)	Best (P50)	High (P10)	Low (P90)	Best (P50)	High (P10)
ONWA	Meulaboh West (UM-5+UM-6)	Upper Miocene Carbonates	17	57	137	12	41	99
	Meulaboh South (UM-10)	Upper Miocene Carbonates	9	29	69	6	21	50
	Meulaboh Central (UM-8)	Upper Miocene Carbonates	8	24	47	6	17	34
	Keudapasi-SW (UM-3)	Upper Miocene Carbonates	12	19	30	9	14	22
	Meulaboh North (UM-4)	Upper Miocene Carbonates	9	18	28	6	13	20
	Keudapasi SE (UM-2)	Upper Miocene Carbonates	6	9	14	4	6	10
OSWA	Singkil South (UM-37)	Upper Miocene Carbonates	134	216	331	97	156	239
	Singkil SE (UM-36)	Upper Miocene Carbonates	45	74	115	32	53	83
	Singkil E (UM-38)	Upper Miocene Carbonates	24	47	75	17	34	54
	Singkil NE-A (UM-30)	Upper Miocene Carbonates	25	35	48	18	25	35
	Singkil NW (UM-33)	Upper Miocene Carbonates	12	18	24	9	13	17
Total (arithmetic addition)			301	546	918	217	394	662

* Net Attributable assumes 72% contractor take for gas as set out in the OSWA PSC Agreement and excludes benefits of cost recovery. No transfer of 10% Participating Interest to Local Government
 ** Chance of Development has yet to be assessed.

Table 1 – ONWA & OSWA PSC Shallow-Water Unrisked Prospective Resources (August 2025)^{19, 20}

Water Depth	PSC	Discovery	Contingent Resources (Bcf)					
			Gross (100%)			Net Attributable (to Conrad)*		
			Low (1C)	Best (2C)	High (3C)	Low (1C)	Best (2C)	High (3C)
Shallow-Water	ONWA	Meulaboh	33	95	146	28	69	104
	ONWA	Meulaboh East	6	25	52	5	18	35
	ONWA	Singkil	54	95	111	46	75	83
Total (arithmetic addition)			93	216	309	78	162	221

* Net Attributable assumes 72% contractor take for gas as set out in the OSWA PSC Agreement and excludes benefits of cost recovery. No transfer of 10% Participating Interest to Local Government
 ** Chance of Development has yet to be assessed.

Table 2 – ONWA & OSWA Contingent Resources (May 2023)²¹

Across the remainder of the financial year 2025 period, Conrad will work with PGN to further advance the small-scale LNG (“Mini LNG”) opportunity for the discovered Aceh resources ensuring there is a ready capability to accommodate future exploration success. Mini LNG is becoming increasingly popular in Indonesia and across Asia as technology and costs continue to improve enhancing the economics of such projects. In parallel, Conrad will continue the discussions with PLN for delivering gas from the existing discoveries for power generation. Electricity is expected to be connected to the national grid through local substations and, from there, meet the demand in the various industrial and urban hubs of North Sumatra.

Sustainability

Environmental approvals were secured for 3D seismic acquisition activities in ONWA and OSWA.

There were no health, safety or environmental incidents during the Reporting Period.

¹⁹ Volumes derived using the probabilistic method; volumetric summation is by arithmetic addition.

²⁰ Please read “Cautionary Statement” at end of this release.

²¹ ASX Release, “75% Increase in Conrad Total Net Attributable Resources”, 16 & 18 May 2023. All material assumptions and technical parameters underpinning the estimates in this market announcement have not materially changed and continue to apply.

Petroleum Tenement Holdings

As of 30 June, 2025, Conrad's petroleum tenement holdings were:

Tenement and Location	Beneficial Interest at 31 December 2024	Beneficial Interest acquired/disposed during 2025	Beneficial Interest at 30 June 2025
Duyung PSC <i>West Natuna Basin, Indonesia</i>	76.5%	nil	76.5%
Offshore Mangkalihat PSC <i>Tarakan Basin, Indonesia</i>	100%	nil ²²	100% ²³
Offshore North West Aceh PSC <i>Offshore Aceh Province, Indonesia</i>	100%	nil	100%
Offshore South West Aceh PSC <i>Offshore Aceh Province, Indonesia</i>	100%	nil	100%

Summary Financial Results

The consolidated loss after income tax of the Group for the six months ended 30 June 2025 is \$2,401,484 (June 2024: \$3,496,549).

Operating expenditure decreased by 33% to \$2.40 million, reflecting significant reductions in the following expenditure:

- Legal and professional fees (57.1%)
- Public relations (84.8%)
- Travel (44.6%)
- Employee Incentive Plan expense (50.2%)

Due to the ongoing development work in Mako, the Company has capitalised \$0.438 million of the exploration and evaluation expense, which includes studies, surveys and FEED costs.

The company also recognised gains of \$0.346 million on the adjustment of the employee options and \$0.464 million on the revaluation of warrants on issue, respectively.

Conrad is well funded with cash of \$5.17 million as at 30 June 2025. Net cash used in operating activities totalled \$3.96 million for HY25, a 19% decrease from HY24, reflecting the general decline in total expenditure across the group.

US\$300K was collected from Coro during the June 2025 quarter on the Settlement Agreement that was previously agreed.

Financing activities during the June 2025 quarter included successful completion of an A\$9 million Placement at an issue price of A\$0.65 per CDI.

²² Conrad has been unable to define any sufficiently economically robust / de-risked prospect in the Offshore Mangkalihat PSC that would underpin the drilling of a commitment well. As previously reported, a formal process for the relinquishment of the PSC commenced during Q3 2023 with no further work obligation from the Company.

²³ On 10 April 2025, the Company announced that its wholly owned subsidiary, the Company and WNEL, operator of Duyung PSC, signed a Settlement Agreement with Coro and Coro Duyung. The Settlement Agreement will result in the transfer of Coro's 15.0% PI in the Duyung PSC to WNEL. Once approved, this will bring WNEL's total PI in the Duyung PSC to 91.5%.

Changes in Capital Structure

Chess Depositary Interests (“CDIs”)

During the Reporting Period, the Company raised A\$9 million (before costs) through a two-tranche Placement, issuing 13,846,154 CDIs over fully paid ordinary shares in the capital of the Company at an issue price of A\$0.65 per CDI to new and existing institutional and sophisticated investors, Directors and senior management of Conrad (“**Placement**”).

The two-tranche Placement, included:

- A “**Tranche 1 Placement**” raising approximately A\$6.1 million through the issue of approximately 9.3 million new CDIs utilising Conrad’s existing placement capacity under ASX Listing Rule 7.1; and
- A “**Tranche 2 Placement**” raising approximately A\$2.9 million through the issue of approximately 4.5 million new CDIs to all Directors of Conrad, approved by CDI holders at the Annual General Meeting held on 16 June 2025.

All directors and senior management of Conrad participated in the Placement for a total consideration of A\$3.0m (“**Director Placement**”).

Proceeds raised from the Placement will be used to support the signing of binding gas sale agreements for Mako, concluding the Duyung PSC farm-down process, a FID for Mako, and maturing gas commercialisation initiatives at Aceh.

No other securities were issued during the Reporting Period.

Significant Changes in State of Affairs

Beyond the events noted above, there were no other significant changes in the state of affairs of the Company during the period that requires separate disclosure.

Events After the Reporting Period

During July 2025, ONWA Pte Ltd, a wholly owned subsidiary of Conrad, signed a contract with PT Mahakarya Geo Survey for the acquisition and processing of 500 sq km of 3D seismic in the ONWA PSC. This data will target the three existing shallow-water discoveries in ONWA and aims to define additional low-risk near-field exploration potential in the intervening areas. Acquisition is targeted to commence in Q3 2025.

Significantly, on 17 July 2025, Conrad announced it had signed a binding GSA with PLN EPI for all the gas produced from the Mako gas field to be supplied domestically. The GSA provides for a total contract quantity of 392 TBtu.

The contract covers the current Duyung PSC period until January 2037 and allows for the sale of up to 111 Bbtud.

PLN Persero is the Indonesian state-owned electric utility company, wholly owned by the Government of Indonesia through the Ministry of State-Owned Enterprises. PLN Persero has over 7,000 power plants located throughout the archipelago, supplying over 89 million customers and selling over 288,000 GWh of electricity annually.

The Mako gas price will be linked to the ICP, an oil price index similar to Brent. The resulting pricing mechanism will be economically similar to the mix of prices previously approved for Mako export and domestic gas sales.

The terms of the GSA with PLN EPI are confidential. The GSA is subject to customary conditions precedent.

PLN EPI will finance and build the pipeline connecting the main West Natuna Gas line to Pemping Island (~5 -7 km) and onward link to Batam. Conrad will not bear any cost in relation to the construction of this pipeline.

Authorised by the Board.

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Condensed Consolidated Statement of Comprehensive Income for the Six-Month Financial Period Ended 30 June 2025

	<u>Note</u>	Consolidated 6 months ended 30 June <u>2025</u> US\$	Consolidated 6 months ended 30 June <u>2024</u> US\$
Revenue		-	-
Other income	2	1,554	52
Other operating expenses		(2,397,406)	(3,568,147)
Finance income	4	3,728	84,765
Finance expense	5	(9,360)	(13,219)
Loss before income tax	3	<u>(2,401,484)</u>	<u>(3,496,549)</u>
Income tax	6	-	-
Loss after tax representing total comprehensive loss for the financial period		<u><u>(2,401,484)</u></u>	<u><u>(3,496,549)</u></u>
Loss per share			
- Basic	13(a)	(0.01) cents	(0.02) cents
- Diluted	13(a)	(0.01) cents	(0.02) cents

The accompanying notes form an integral part of the condensed interim consolidated financial statements.

Condensed Consolidated Statement of Financial Position as at 30 June 2025

	Note	30 June <u>2025</u> US\$	31 December <u>2024</u> US\$
ASSETS			
Non-current assets			
Plant and equipment	7	180,552	295,021
Exploration and evaluation assets	9	28,935,282	28,497,724
Other receivables	11	3,247,716	3,195,436
		<u>32,363,550</u>	<u>31,988,181</u>
Current assets			
Financial asset at fair value through profit or loss	10	6,985	15,099
Other receivables	11	96,876	106,890
Prepayment		1,229,508	270,603
Cash and cash equivalents	12	5,168,043	4,113,333
		<u>6,501,412</u>	<u>4,505,925</u>
TOTAL ASSETS		<u>38,864,962</u>	<u>36,494,106</u>
EQUITY AND LIABILITIES			
Equity and reserves			
Share capital	13	86,825,764	81,254,153
Employee benefits reserve	14	1,176,839	1,369,279
Accumulated losses		(50,365,098)	(47,963,614)
		<u>37,637,505</u>	<u>34,659,818</u>
Liabilities			
Non-current liabilities			
Lease liabilities	18	-	66,790
		<u>-</u>	<u>66,790</u>
Current liabilities			
Trade and other payables	15	945,993	993,845
Warrants	16	118,462	582,154
Lease liabilities	18	163,002	191,499
		<u>1,227,457</u>	<u>1,767,498</u>
TOTAL EQUITY AND LIABILITIES		<u>38,864,962</u>	<u>36,494,106</u>

The accompanying notes form an integral part of the condensed interim consolidated financial statements.

Condensed Consolidated Statement of Changes in Equity for the Six-Month Financial Period Ended 30 June 2025

Group	Share capital US\$	Accumulated losses US\$	Warrants reserve US\$	Employee benefits reserve US\$	Total attributable to the owners of the Company US\$
Balance at 1 January 2025	81,254,153	(47,963,614)	-	1,369,279	34,659,818
Loss after tax representing total comprehensive loss for the financial period	-	(2,401,484)	-	-	(2,401,484)
Issuance of ordinary shares	5,816,986	-	-	-	5,816,986
Costs of issuing capital	(245,375)	-	-	-	(245,375)
Recognition of share-based payments under Conrad Incentive Plan	-	-	-	153,825	153,825
Adjustment to employee share options	-	-	-	(346,265)	(346,265)
Balance at 30 June 2025	86,825,764	(50,365,098)	-	1,176,839	37,637,505
Balance at 1 January 2024	70,118,831	(43,309,675)	2,958,950	1,197,176	30,965,282
Loss after tax representing total comprehensive loss for the financial period	-	(3,496,549)	-	-	(3,496,549)
Issuance of ordinary shares	10,337,413	-	-	-	10,337,413
Recognition of share-based payments under Conrad Incentive Plan	-	-	-	308,809	308,809
Balance at 30 June 2024	80,456,244	(46,806,224)	2,958,950	1,505,985	38,114,955

The accompanying notes form an integral part of the condensed interim consolidated financial statements.

Condensed Consolidated Statement of Cash Flows for the Six-Month Financial Period Ended 30 June 2025

	Consolidated 6 months ended 30 June 2025 US\$	Consolidated 6 months ended 30 June 2024 US\$
Cash Flows from Operating Activities		
Loss before income tax	(2,401,484)	(3,496,549)
Adjustments for:		
Interest income	(3,728)	(84,765)
Interest expense	9,360	9,633
Impairment loss on amount due from PSC partners (Note 11)	112,086	-
Discounting effect of performance bond	(52,280)	-
Depreciation of plant and equipment	114,469	99,501
Fair value loss on revaluation of financial assets, at FVPL	8,114	167,495
Fair value change of warrants	(463,692)	(798,770)
Unrealised foreign exchange loss/(gain)	23,254	(5,143)
Employee Incentive Plan expense	153,825	308,809
Adjustment to employee share options	(346,265)	-
Operating cash flows before working capital changes	<u>(2,846,341)</u>	<u>(3,799,789)</u>
Changes in working capital:		
Increase in other receivables	(145,160)	(467,942)
(Increase)/decrease in prepayments	(958,905)	93,669
Decrease in trade and other payables	(6,377)	(775,125)
Cash used in operations	<u>(3,956,783)</u>	<u>(4,949,187)</u>
Interest received	3,728	84,765
Interest paid	(2,696)	-
Net cash used in operating activities	<u>(3,955,751)</u>	<u>(4,864,422)</u>
Cash Flows from Investing Activities		
Purchase of plant and equipment	-	(5,787)
Increase in exploration and evaluation assets (Note 9)	(437,558)	(1,001,154)
Net cash used in investing activities	<u>(437,558)</u>	<u>(1,006,941)</u>
Cash Flows from Financing Activities		
Proceeds from issuance of ordinary shares	5,816,986	10,337,413
Cost of issuing capital	(245,375)	-
Repayment of lease liabilities	(112,926)	(99,092)
Interest paid	(6,664)	(9,633)
Net cash generated from financing activities	<u>5,452,021</u>	<u>10,228,688</u>
Net increase in cash and cash equivalents	1,058,712	4,357,325
Cash and cash equivalents at the beginning of the financial period	4,113,333	4,511,418
Effect of exchange rate changes on foreign currencies cash & bank balances	<u>(4,002)</u>	<u>(4,076)</u>
Cash and cash equivalents at the end of the financial period (Note 12)	<u>5,168,043</u>	<u>8,864,667</u>

The accompanying notes form an integral part of the condensed interim consolidated financial statements.

(cont'd)

The reconciliation of movements of liabilities to cash flows arising from financing activities is presented below:

	<u>1 January</u>	<u>Repayments</u>	<u>Cash flow</u>	<u>Non-cash changes</u>	<u>Addition</u>	<u>30 June</u>
	US\$	US\$	Interest expense US\$	Unrealised foreign exchange gain US\$	US\$	US\$
<u>2025</u>						
Lease liabilities	258,289	(119,590)	6,664	17,639	-	163,002
	<u>258,289</u>	<u>(119,590)</u>	<u>6,664</u>	<u>17,639</u>	<u>-</u>	<u>163,002</u>
<u>2024</u>						
Lease liabilities	284,642	(108,725)	9,633	(7,603)	226,030	403,977
	<u>284,642</u>	<u>(108,725)</u>	<u>9,633</u>	<u>(7,603)</u>	<u>226,030</u>	<u>403,977</u>

The accompanying notes form an integral part of the condensed interim consolidated financial statements.

Notes to Interim Financial Statements

These notes form an integral part of and should be read in conjunction with the accompanying condensed interim consolidated financial statements.

1. Basis of Preparation

The condensed interim consolidated financial statements of Conrad Asia Energy Ltd (the “Company” or “Conrad”) and its subsidiaries (the “Group”) for the six-month financial period ended 30 June 2025 have been prepared on a condensed basis in accordance with SFRS(I) 1-34, *Interim Financial Reporting*.

The condensed interim consolidated financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group’s audited consolidated financial statements for the financial year ended 31 December 2024.

The financial statements are presented in United States dollars (“US\$”), which is the functional currency of the Company.

Adoption of new and revised Singapore Financial Reporting Standards (International) (“SFRS(I)”) issued which are effective in the current financial period

On 1 January 2025, the Group has adopted the new and revised SFRS(I) and SFRS(I) INTs that are mandatory for application for the financial period. The adoption of these new and revised SFRS(I) and SFRS(I) INTs did not result in substantial changes to the Group’s accounting policies and had no material effect on the amounts reported for the current or prior financial period/years.

Adoption of New and Revised SFRS(I) issued but not yet effective

At the date of authorisation of these financial statements, the following standards that have been issued and are relevant to the Group and Company but not yet effective:

	Effective for annual financial periods beginning on or after
<i>Amendments to SFRS(I) 9 and SFRS(I) 7: Amendments to the Classification and Measurement of Financial Instruments</i>	1 January 2026
<i>Amendments to SFRS(I) 9 and SFRS(I) 7: Financial Instruments: Disclosures: Contracts Referencing Nature-dependent Electricity</i>	1 January 2026
<i>Annual Improvements to SFRS(I)s – Volume 11</i>	1 January 2026
<i>Amendments to SFRS(I) 18: Presentation and Disclosure in Financial Statements</i>	1 January 2027
<i>Amendments to SFRS(I) 19: Subsidiaries without Public Accountability: Disclosures</i>	1 January 2027
<i>Amendments to SFRS(I) 10 and SFRS(I) 1-28 Investments in Associates and Joint Ventures – Sale or contribution of assets between an investor and its associate or Joint Venture</i>	Deferred indefinitely, early application is still permitted

(cont'd)

1. Basis of Preparation (cont'd)

Adoption of New and Revised SFRS(I) issued but not yet effective (cont'd)

Other than below, the directors expects that the adoption of the standards above will have no material impact on the consolidated financial statements in the period of initial application.

SFRS(I) 18: Presentation and Disclosure in Financial Statements

This standard will replace SFRS(I)1-1 Presentation of Financial Statements. Whilst many of the requirements will remain consistent, the new standard will have impacts on the presentation of the Statement of Profit and Loss and consequential impacts on the Statement of Cash Flows. It will also require the disclosure of the non-SFRS(I) management performance measures and may impact the level of aggregation and disaggregation throughout the primary financial statements and the notes.

An entity is required to apply the amendments to SFRS(I) 1-1 for annual reporting periods beginning on or after 1 January 2027. Earlier application is permitted. SFRS(I) 18 requires retrospective application with specific transition provisions.

The directors will determine the impact on the presentation of the Statement of Profit and Loss and Statement of Cash Flows when effective.

(a) Accounting Estimates and Judgements

The preparation of the condensed interim consolidated financial statements requires management to make judgements, estimates and assumption that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

In preparing this condensed interim consolidated financial statement, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were consistent with those disclosed in the Group's audited consolidated financial statements for the financial year ended 31 December 2024.

(b) Material Accounting Policy Information

The accounting policies were consistent with those disclosed in the Group's audited consolidated financial statements for the financial year ended 31 December 2024.

2. Other Income

	30 June <u>2025</u> US\$	30 June <u>2024</u> US\$
Government grants	1,554	-
Others	-	52
	<u>1,554</u>	<u>52</u>

3. Loss before Income Tax

	30 June <u>2025</u> US\$	30 June <u>2024</u> US\$
Depreciation of plant and equipment	114,469	99,501
Discounting effect of performance bond	(52,280)	-
Computer expense/IT equipment	94,035	142,892
Consultancy fee	182,388	46,792
Impairment loss on amount due from PSC partners	112,086	-
Insurance	99,951	101,300
Financing fee	19,655	-
Foreign exchange gain	15,109	(35,883)
Legal and professional fees	134,748	313,743
Public relations	11,455	75,461
General expenses	2,949	3,561
IPO listing costs	-	21,089
New venture costs	24,768	6,896
Staff costs:		
- Director's remuneration	240,000	240,000
- Director's fee	175,500	175,500
- Fees for professional services	435,566	326,216
- Contract labour	-	155,254
- Staff salaries	767,193	1,022,916
- Staff benefit	60,854	59,728
Pension and severance allowance	21,176	2,391
Travelling	121,722	219,784
Employee Incentive Plan expense	153,825	308,809
Adjustment to employee share options	(346,265)	-
Fair value loss on revaluation of financial assets, at FVPL	8,114	167,495
Fair value change of warrants	(463,692)	(798,770)

4. Finance Income

	30 June <u>2025</u> US\$	30 June <u>2024</u> US\$
Interest income from cash and cash equivalents	3,728	84,765

5. Finance Expense

	30 June <u>2025</u> US\$	30 June <u>2024</u> US\$
Interest expense		
- Others	2,696	-
- Lease liabilities (Note 18)	6,664	11,456
	<u>9,360</u>	<u>11,456</u>

6. Income Tax

	30 June <u>2025</u> US\$	30 June <u>2024</u> US\$
Income tax:		
- current period	-	-

The income tax expense varies from the amount of income tax determined by applying the statutory rate of income tax to loss before taxation due to the following factors:

	30 June <u>2025</u> US\$	30 June <u>2024</u> US\$
Loss before income tax	(2,401,484)	(3,496,549)
Tax calculated at 17%	(488,423)	(594,413)
Tax effects of:		
- Expenses not deductible	33,561	75,870
- Deferred tax assets not recognised	454,862	518,543
	<u>-</u>	<u>-</u>

6. Income Tax (cont'd)

Deferred income tax assets are recognised for tax losses carried forward to the extent that realisation of the related tax benefits through future taxable profits is probable. The Group has unrecognised tax losses of approximately US\$62,000,000 (30 June 2024: US\$56,000,000) at the reporting date which could be carried forward and used to offset against future taxable income subject to meeting certain statutory requirements.

Deferred tax assets not recognised

The components of deferred tax assets not recognised are as follows:

	30 June <u>2025</u> US\$	30 June <u>2024</u> US\$
Unutilised tax losses	<u>10,500,000</u>	<u>10,000,000</u>

7. Plant and Equipment

	<u>Computers</u> US\$	<u>Office renovation</u> US\$	<u>Furniture and fittings</u> US\$	<u>Office equipment</u> US\$	<u>Leased building</u> US\$	<u>Total</u> US\$
<u>2025</u>						
<u>Cost</u>						
Balance at 1 January and 30 June	95,757	16,132	151,981	4,036	898,352	1,166,258
<u>Accumulated depreciation</u>						
Balance at 1 January	94,846	15,078	117,600	3,243	640,470	871,237
Depreciation	762	904	12,073	660	100,070	114,469
Balance at 30 June	95,608	15,982	129,673	3,903	740,540	985,706
<u>Net book value</u>						
At 30 June 2025	149	150	22,308	133	157,812	180,552

7. Plant and Equipment (cont'd)

	<u>Computers</u> US\$	<u>Office renovation</u> US\$	<u>Furniture and fittings</u> US\$	<u>Office equipment</u> US\$	<u>Leased building</u> US\$	<u>Total</u> US\$
2024						
<u>Cost</u>						
Balance at 1 January	95,757	16,132	140,220	4,036	718,476	974,621
Additions	-	-	11,761	-	211,884	223,645
Lease modification	-	-	-	-	(32,008)	(32,008)
Balance at 31 December	<u>95,757</u>	<u>16,132</u>	<u>151,981</u>	<u>4,036</u>	<u>898,352</u>	<u>1,166,258</u>
<u>Accumulated depreciation</u>						
Balance at 1 January	92,932	13,271	103,498	1,924	467,771	679,396
Depreciation	1,914	1,807	14,102	1,319	204,707	223,849
Lease modification	-	-	-	-	(32,008)	(32,008)
Balance at 31 December	<u>94,846</u>	<u>15,078</u>	<u>117,600</u>	<u>3,243</u>	<u>640,470</u>	<u>871,237</u>
<u>Net book value</u>						
At 31 December 2024	<u>911</u>	<u>1,054</u>	<u>34,381</u>	<u>793</u>	<u>257,882</u>	<u>295,021</u>

8. Investments in Subsidiaries

	Company	
	30 June	31 December
	<u>2025</u>	<u>2024</u>
	US\$	US\$
<u>Unquoted equity investments, at cost</u>		
Balance at the beginning and end of the period/year	17,573	17,573

The details of subsidiaries are as follows:

<u>Name of subsidiaries and country of incorporation</u>	<u>Principal activities</u>	Effective equity interest	
		<u>30.06.2025</u>	<u>31.12.2024</u>
		%	%
Conrad Petroleum (V) Limited Seychelles	International oil and gas exploration, appraisal development and production	100	100
West Natuna Exploration Ltd. British Virgin Islands	International oil and gas exploration, appraisal development and production	100	100
Conrad Petroleum OM Pte. Ltd. Singapore	International oil and gas extraction	100	100
ONWA Pte. Ltd. Singapore	International oil and gas extraction	100	100
OSWA Pte. Ltd. Singapore	International oil and gas extraction	100	100

9. Exploration and Evaluation Assets

	30 June <u>2025</u> US\$	31 December <u>2024</u> US\$
Balance at the beginning of the financial period/year	28,497,724	27,101,848
Additions during the period/year	437,558	1,395,876
Balance at the end of the financial period/year	<u>28,935,282</u>	<u>28,497,724</u>

During the financial period, the Group acquired exploration and evaluation assets by means of:

	30 June <u>2025</u> US\$	31 December <u>2024</u> US\$
Cash	<u>437,558</u>	<u>1,395,876</u>

10. Financial Asset at Fair Value through Profit or Loss

	30 June <u>2025</u> US\$	31 December <u>2024</u> US\$
Investment in quoted shares	<u>6,985</u>	<u>15,099</u>

Movements in financial asset, at fair value through profit or loss are as follows:

	30 June <u>2025</u> US\$	31 December <u>2024</u> US\$
At the beginning of the financial period/year	15,099	167,495
Fair value loss	(8,114)	(152,396)
At the end of the financial period/year	<u>6,985</u>	<u>15,099</u>

Investment in quoted shares pertains to the share consideration received from the disposal of a production sharing contract interest in a subsidiary, West Natuna Exploration Limited. The quoted shares are listed on the London Stock Exchange and denominated in British Pound Sterling. The investment has no fixed maturity term and held for trading and is designated to be measured at FVPL. The share price indication of the investment is based on an active market price, which is a level 1 of the fair value hierarchy.

11. Other Receivables

	30 June <u>2025</u> US\$	31 December <u>2024</u> US\$
Other receivables and deposits:		
Production Sharing Contract partners (a)	1,299,683	1,187,597
<u>Impairment loss on PSC partners</u>		
At the beginning of the period/year	(1,187,597)	-
Allowance during the period/year	(112,086)	(1,187,597)
At the end of the period/year	(1,299,683)	(1,187,597)
Net amounts due from PSC partners	-	-
Deposits (b)	381,134	340,747
Performance bond (c)	2,947,716	2,895,436
Other receivables	15,742	66,143
	<u>3,344,592</u>	<u>3,302,326</u>
Non-current	3,247,716	3,195,436
Current	96,876	106,890
	<u>3,344,592</u>	<u>3,302,326</u>

- (a) West Natuna Exploration Limited, Coro Energy Duyung (Singapore) Pte. Ltd. and Empyrean Energy PLC own 76.5%, 15% and 8.5% interest in the Production Sharing Contract respectively.

The amount pertains to the 100% operating cost that is charged back to the two partners in the PSC Scheme, Coro and Empyrean. The operating costs in relation to drilling and exploration costs incurred on the approved gas field which will be reimbursed from the cash carry and cash call paid by Coro and Empyrean.

As at 30 June 2025 and 31 December 2024, the PSC partners agreed to offset the receivables and payables and presented a net asset under "Production Sharing Contract partners".

As at 30 June 2025, the Group has issued a default notice to both PSC partners and fully impaired US\$1,299,683 (31 December 2024: US\$1,187,597) as management has deemed the amounts to be irrecoverable.

- (b) The amount pertains mainly to the working advance placed as deposits to SKK Migas and Badan Pengelola Migas Aceh ("BPMA") which will be refunded upon the termination of the contract.
- (c) The amount pertains to the working advance placed as a performance bond to DG Migas to guarantee a definite commitment for the first 3 years of the contract.

11 Other Receivables (cont'd)

The Group's internal credit evaluation practices and basis for recognition and measurement for expected credit losses were consistent with those disclosed in the Group's audited consolidated financial statements for the financial year ended 31 December 2024.

12. Cash and Cash Equivalents

	30 June <u>2025</u> US\$	31 December <u>2024</u> US\$
Cash on hand and at bank	5,168,043	4,113,333

13. Share Capital

	30 June <u>2025</u>		31 December <u>2024</u>	
	No. of shares	US\$	No. of shares	US\$
Issued and fully paid:				
At the beginning of the period	179,227,712	81,254,153	161,723,606	70,118,831
Issue of ordinary shares	13,846,154	5,816,986	16,684,211	10,337,413
Exercise of share rights to ordinary shares (Note 14)	-	-	819,895	797,909
	13,846,154	5,816,986	17,504,106	11,135,322
Cost of issuing capital	-	(245,375)	-	-
At the end of the period	193,073,866	86,825,764	179,227,712	81,254,153

13(a) Loss Per Share

Basic loss per share is calculated by dividing the Group's net results attributable to ordinary equity holders for the financial period by the weighted average number of ordinary shares issued.

	30 June <u>2025</u>	30 June <u>2024</u>
Loss attributable to the owners of the Company (US\$)	(2,401,484)	(3,496,549)
Weighted average number of ordinary shares issued		
- Basic	182,036,551	172,969,413
- Diluted	182,036,551	172,969,413
Loss per ordinary share (US\$ cents)		
- Basic	(0.01)	(0.02)
- Diluted	<u>(0.01)</u>	<u>(0.02)</u>

Basic loss per share is calculated by dividing the consolidated loss after tax attributable to the equity holders of the Company, by the weighted average number of ordinary shares outstanding during the financial period.

As at 30 June 2025 and 2024, the diluted loss per share excludes the effect of unissued ordinary shares granted under the Conrad Incentive Plan and the effect of warrants as they are anti-dilutive.

14. Employee Benefits Reserve

The Conrad Incentive Plan for key management personnel and employees of the Group was approved and adopted by shareholders through the shareholders' resolution in writing on 23 May 2022.

Share rights

i) Vesting conditions

Vesting conditions of share rights are not the same, depending on the recipient. There are five (5) different sets of vesting conditions in total.

Vesting conditions set 1:

- a) on 25 September 2023, which is 1 year from the date of grant of the share rights; or
- b) 100% at such time as Conrad farms down or sells down to a Participating Interest of 20% or less in the Duyung Production Sharing Contract.

Vesting conditions set 2:

- a) on 25 September 2024, which is 2 years from the date of grant of the share rights.

14. Employee Benefits Reserve (cont'd)

Share rights (cont'd)

Vesting conditions set 3:

- a) in four equal tranches annually over 4 years from grant date; or
- b) 100% at such time as Conrad farms down or sells down to a Participating Interest of 20% or less in the Duyung Production Sharing Contract.

Vesting conditions set 4:

- a) on 25 September 2024, which is 2 years from the date of grant of the share rights; or
- b) 100% at such time as Conrad farms down or sells down to a Participating Interest of 20% or less in the Duyung Production Sharing Contract.

Vesting conditions set 5:

- a) in three equal tranches annually over 3 years from the date of grant of the share rights.

ii) Expiration

The share rights will lapse and expire if the vesting conditions are not met.

iii) Dealing restrictions

The holders of share rights agree to not deal with the share rights issued to them on the vesting of those share rights prior to the release from any relevant voluntary or mandatory escrow arrangements entered into by the holders.

iv) Quotation

The share rights will not be quoted on the ASX or any other securities exchange.

v) Rights associated with share rights

The share rights do not carry any dividend or voting rights (except as required by law).

The share rights do not permit the holder to:

- a) Participate in a return of capital, whether in a winding up, upon a reduction of capital or otherwise; or
- b) Participate in new issue of capital such as bonus issue and entitlement issue.

The share rights do not carry any entitlement to participate in the surplus profit or asset of the Company upon winding up of the Company.

14. Employee Benefits Reserve (cont'd)

Share rights (cont'd)

vi) Transfer restrictions

The share rights are not transferable, except to the estate of the holder on the death, permanent disability or permanent incapacitation of the holder.

vii) Adjustment of share rights

The share rights may be adjusted in accordance with the Conrad Incentive Plan.

viii) Cessation of employment/office or termination of services

The following table outlines the treatment of share rights should the share rights holder cease employment with the Company or their office/appointment with the Company is terminated or they cease providing services to Conrad, unless the Board in its discretion determines otherwise:

Time of cessation	Good leaver	Bad leaver
<i>Prior to vesting</i>	Holder will be entitled to have the vesting of their share rights accelerated and vest on cessation of employment or termination of office/appointment/services.	Unvested share rights will lapse.
<i>After vesting and delivery of shares/CDIs</i>	Holder will continue to hold the shares/CDIs that have been delivered to them.	(resignation) Holder will continue to hold the shares/CDIs that have been delivered to them.
		(for cause) Unvested share rights will lapse and shares/CDIs delivered to them on vesting of their share rights will be forfeited and bought back by Conrad.

ix) Share rights on share of control

If a change of control event occurs in relation to the Company (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 in relation to the Company), the Board may (amongst other things):

- a. waive any vesting condition; and/or
- b. determine that any vesting condition is satisfied,

in accordance with the Conrad Incentive Plan.

14. Employee Benefits Reserve (cont'd)

Share rights (cont'd)

x) Clawback

Under the Conrad Incentive Plan, the Board may make a determination in its discretion on how the share rights will be treated, such as deeming the share rights to have lapsed or forfeited, where (without limitation), in the opinion of the Board:

- a. the holder has acted fraudulently or dishonestly;
- b. the holder has engaged in, or was involved in, serious misconduct;
- c. the holder has breached their duties, responsibilities or obligations to the Company;
- d. the holder has done an act which brings the Company into disrepute;
- e. where there has been a material misstatement or omission in the financial statements of the Company;
- f. there occurs a catastrophic environmental or safety event (including the occurrence of any fatalities) caused by, contributed to or in respect of the Company, its operations or personnel, or other event which leads to a significant adverse impact on the reputation of the Company or its operations; or
- g. there occurs any other circumstance, which the Board has determined in good faith provides grounds for the Board to exercise its discretion for the treatment of the holder's share rights.

In circumstances of clawback the Board may, without limitation, require shares, received in connection with share rights to be forfeited or paid as directed by the Board under the Conrad Incentive Plan.

xi) Tax deferral under tax legislation

The Conrad Incentive Plan is a plan to which Subdivision 83A-C of the Income Tax Assessment Act 1997 is intended to apply (subject to the conditions in that Act).

14. Employee Benefits Reserve (cont'd)

Options

Vesting conditions of options are not the same, depending on the recipient. There are three (3) different sets of vesting conditions in total.

Vesting conditions set 1:

- a) in three equal tranches annually over 3 years from grant date; or
- b) 100% at such time as Conrad farms down or sells down to a Participating Interest of 20% or less in the Duyung Production Sharing Contract.

Vesting conditions set 2:

- a) on 25 September 2023, which is 1 year from the date of grant of the options; or
- b) 100% at such time as Conrad farms down or sells down to a Participating Interest of 20% or less in the Duyung Production Sharing Contract.

Vesting conditions set 3:

a) on 25 September 2024, which is 2 years from the date of grant of the options and only once the following performance-based vesting conditions being met:

- one-third of the options will vest through Conrad (or through West Natuna Exploration Limited (“WNEL”)) signing a binding gas sales agreement in respect of the Mako project.
- one-third of the options will vest upon the final investment decision in respect of the Mako project.
- one-third of the options will vest upon first production of gas from Mako Gas Field and supplied at the daily contract quality specified in any gas sales agreement executed by Conrad.

The options will expire at 5.00 pm (Singapore time) on 25 September 2027, the date which is the fifth anniversary of the grant date.

14. Employee Benefits Reserve (cont'd)

Options (cont'd)

The details of outstanding share rights and options to subscribe for ordinary shares of the Group pursuant to the Conrad Incentive Plan are as follows:

<u>Date of grant</u>	<u>Exercise price</u>	<u>Balance at the beginning of the financial period</u>	<u>Number of share rights (lapsed)/granted during the financial period</u>	<u>Number of share rights exercised during the financial period</u>	<u>Number of share rights outstanding as at the end of the financial period</u>
25.09.2022	-	80,000	-	-	80,000

<u>Date of grant</u>	<u>Exercise price</u>	<u>Balance at the beginning of the financial period</u>	<u>Number of options (lapsed)/granted during the financial period</u>	<u>Number of options vested during the financial period</u>	<u>Number of unvested options outstanding as at the end of the financial period</u>
25.09.2022	U\$0.81	853,338	-	-	853,338

Fair value of share rights and options awarded

The fair value of each share granted under the Employee Incentive Plan at the date of grant is based on the share price of the Company given that the Company's shares are publicly traded on the ASX.

The fair value of the share rights and options granted to key management personnel and employees is deemed to represent the value of the employee services received over the vesting period.

15. Trade and Other Payables

	30 June <u>2025</u> US\$	31 December <u>2024</u> US\$
Trade payables	196,946	154,887
Other payables	33,480	132,981
Accrued expenses	640,567	630,977
Deferred income	75,000	75,000
	<u>945,993</u>	<u>993,845</u>

Accrued expenses mainly comprise the exploration cost for the appraisal wells and employee severance pension funds.

Deferred income pertains to the working advance placed as a deposit by SDA Mangkalihat Pte. Ltd. and Samudra Energy Mangkalihat Limited (ex-operator) of Offshore Mangkalihat to SKK Migas and will be recognised as income when the deposit is refunded upon the termination of the contract. According to the contract, the Group does not need to repay the working advance to SDA Mangkalihat Pte. Ltd. and Samudra Energy Mangkalihat Limited (ex-operator) of Offshore Mangkalihat.

16. Warrants

	30 June <u>2025</u> US\$	31 December <u>2024</u> US\$
Warrants, at the beginning of the period/year	582,154	2,964,924
Fair value change during the period/year	(463,692)	(2,382,770)
Warrants, at the end of the period/year	<u>118,462</u>	<u>582,154</u>

16. Warrants (cont'd)

The fair value of the warrants has been derived using the Binomial valuation model and is classified under Level 3 of the fair value hierarchy as at 30 June 2025. The key inputs applied in the estimation of warrants is volatility, risk-free rate of return and binomial steps.

Valuation technique used to derive Level 3 fair value

The following table shows the information about fair value measurements using significant unobservable inputs (Level 3):

<u>Description</u>	<u>Fair value</u> US\$	<u>Valuation technique</u>	<u>Unobservable inputs</u>	<u>Inputs</u>
<u>30 June 2025</u>				
Warrants	118,462	Binomial valuation model	Volatility	54.40%
			Risk free rate of return	3.85%
			Number of binomial steps	30 steps
<u>31 December 2024</u>				
Warrants	582,154	Binomial valuation model	Volatility	48.60%
			Risk free rate of return	3.84%
			Number of binomial steps	40 steps

Refer to Note 19 on the relationship of unobservable inputs to the fair value measurement.

17. Significant Related Party Transactions

In addition to the related party information disclosed elsewhere in the financial statements, the following significant transactions with related parties on terms mutually agreed during the financial period are as follows:

	30 June <u>2025</u> US\$	30 June <u>2024</u> US\$
<u>Compensation of key management personnel</u>		
Directors' remuneration	240,000	240,000
Directors' fee	175,500	175,500
Staff benefit	13,038	13,559
Fees for professional services*	<u>218,216</u>	<u>326,216</u>

* Fees received or receivable by a firm in which the director is a member or with a company in which the director has a substantial financial interest for professional services rendered to the Company or management and other fees for the period end.

18. Lease Liabilities

The Group as Lessee

The Group entered into lease contracts for its office premises. The Group has the option to terminate the lease contract but is unlikely to exercise the option. The right-of-use asset is recognised within plant and equipment (Note 7). The effective interest rate used is between 5.25% and 10.03%.

(a) Carrying amount of right-of-use asset classified within plant and equipment

	30 June <u>2025</u> US\$	31 December <u>2024</u> US\$
Leased building	<u>157,812</u>	<u>257,882</u>

(b) Amounts recognised in profit or loss

	30 June <u>2025</u> US\$	30 June <u>2024</u> US\$
Depreciation of right-of-use asset	100,070	90,626
Interest expense on lease liabilities (Note 5)	6,664	9,633
Total amount recognised in profit or loss	<u>106,734</u>	<u>100,259</u>

18 Lease Liabilities (cont'd)

(c) Other disclosures

	30 June <u>2025</u> US\$	30 June <u>2024</u> US\$
Total cash outflow for leases	119,590	108,725

(d) Carrying amount of lease liabilities

	30 June <u>2025</u> US\$	31 December <u>2024</u> US\$
Minimum lease payments due:		
- Not later than 1 year	167,506	201,374
- Later than 1 year but within 5 years	-	67,747
	<u>167,506</u>	<u>269,121</u>
Less:		
Future finance charges	(4,504)	(10,832)
Present value of financial lease liabilities	<u>163,002</u>	<u>258,289</u>

The present value of lease liabilities is analysed as follows:

	30 June <u>2025</u> US\$	31 December <u>2024</u> US\$
Not later than 1 year	163,002	191,499
Later than 1 year but within 5 years	-	66,790
	<u>163,002</u>	<u>258,289</u>

19. Fair Value Measurements

Fair value is defined as the amount at which the financial instruments could be exchanged in a current transaction between knowledgeable willing parties in an arm's length transaction, other than in a forced or liquidation sale. Fair values are obtained from quoted prices, discounted cash flow models and option pricing models as appropriate.

The Group presents financial assets measured at fair value and classified by level of the following fair value measurement hierarchy:

- Level 1: quoted prices (unadjusted) in active markets for identical assets and liabilities;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is as prices) or indirectly (i.e. derived from prices); and
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	<u>Level 1</u> US\$	<u>Level 2</u> US\$	<u>Level 3</u> US\$	<u>Total</u> US\$
<u>30 June 2025</u>				
Financial asset				
at fair value through profit or loss	6,985	-	-	6,985
Warrants	-	-	118,462	118,462
<u>31 December 2024</u>				
Financial asset				
at fair value through profit or loss	15,099	-	-	15,099
Warrants	-	-	582,154	582,154

The table below sets out information about significant unobservable inputs used as at 30 June 2025 measuring financial instruments categorised as Level 3 in the fair value hierarchy.

Description	Valuation technique	Significant unobservable inputs	Relationship of unobservable inputs to fair values
Warrants	Binomial valuation model	Volatility	The lower the volatility, the lower the fair value
		Risk-free rate of return	The higher the risk-free rate of return, the lower the fair value

If volatility for warrants increase by 5% with all other unobservable inputs being held constant, the Group's net loss and total comprehensive loss for the year would have increased by US\$40,000.

19. Fair Value Measurements (cont'd)

Fair value is defined as the amount at which the financial instruments could be exchanged in a current transaction between knowledgeable willing parties in an arm's length transaction.

There has been no transfer of financial instruments between levels during the financial period.

The Group has an established control framework for measuring fair values. This framework includes a third-party valuation team that the Group engages at least annually. The management of the Group has the overall responsibility for all significant fair value measurements, including Level 3 fair values.

Fair Value of the Group's financial assets and financial liabilities that are not measured at fair value on a recurring basis.

The carrying amounts of financial assets and liabilities with a maturity of less than one year approximate their fair values due to the relatively short-term maturity of these financial instruments.

The fair value of the non-current lease liabilities is determined by discounted expected cash flows. The discount rate used is based on the market rate for similar instruments as at the statement of financial position date.

The fair value of the warrants is determined with reference to the Binomial valuation model and included in Level 3 of the fair value hierarchy.

Directors' Statement

The directors present their statement to the shareholders together with the condensed interim consolidated financial statements of Conrad Asia Energy Ltd (the "Company") and its subsidiaries (collectively the "Group") for the six-month financial period ended 30 June 2025.

In the opinion of the directors,

- (a) the condensed interim consolidated financial statements of the Group are drawn up so as to give a true and fair view of the financial position of the Group as at 30 June 2025, and of the financial performance, changes in equity and cash flows of the Group for the period ended on that date; and
- (b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

1. Directors

The directors in office at the date of this statement are:

Peter Botten	(Non-Executive Chairman)
Miltiadis Xynogalas	(Managing Director and CEO)
David Johnson	(Executive Director and COO)
Paul Bernard	(Non-Executive Director)
Jeremy Brest	(Non-Executive Director)
Mario Traviati	(Non-Executive Director)

2. Arrangements to Enable the Directors to Acquire Shares or Debentures

Neither at the end of nor at any time during the financial period was, the Company a party to any arrangement whose object was to enable the directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate, other than as disclosed under "Share Rights and Options" in this report.

3. Directors' Interests in Shares or Debentures

According to the register kept by the Company for the purposes of Section 164 of the Companies Act 1967, the following directors who held office at the end of the financial period were interested in shares, warrants and vested share options of the Company as follows:

Name of Directors	Holdings registered in the name of director		Holdings in which a director is deemed to have an interest	
	At 01.01.2025	At 30.06.2025	At 01.01.2025	At 30.06.2025
	<i>No. of ordinary shares, warrants and vested share options</i>			
The Company				
Peter Botten	480,000	833,847	680,134	680,134
Miltiadis Xynogalas	1,382,583	2,090,276	14,400,000	14,400,000
David Johnson	1,081,840	1,143,379	693,333	693,333
Paul Bernard	908,758	908,758	5,075,650	6,275,650
Jeremy Brest	-	1,415,385	5,782,123	5,782,123
Mario Traviati	10,022,486	10,022,486	3,055,359	3,824,590

Except as disclosed in this report, no Director who held office at the end of the financial period had interests in shares, share options, warrants or debentures of the Company, or of related corporations, either at the beginning of the financial period, or date of appointment, if later or at the end of the financial period.

4. Share Rights and Options

The Conrad Incentive Plan for key management personnel and employees of the Group was approved and adopted by shareholders through the shareholders' resolution in writing on 23 May 2022.

The information on the directors of the Company participating in the Incentive Plan is as follows:

Name of Directors	Number of unvested share rights held		Number of unvested options held	
	At 01.01.2025	At 30.06.2025	At 01.01.2025	At 30.06.2025
Peter Botten	-	-	-	-
Miltiadis Xynogalas	-	-	266,667	266,667
David Johnson	-	-	266,667	266,667
Paul Bernard	-	-	106,668	106,668
Jeremy Brest	-	-	106,668	106,668
Mario Traviati	-	-	106,668	106,668

4. Share Rights and Options (cont'd)

Share rights

Vesting conditions of share rights are not the same, depending on the recipient. There are five (5) different sets of vesting conditions in total.

Vesting conditions set 1:

- a) on 25 September 2023, which is 1 year from the date of grant of the share rights; or
- b) 100% at such time as Conrad farms down or sells down to a Participating Interest of 20% or less in the Duyung Production Sharing Contract.

Vesting conditions set 2:

- a) on 25 September 2024, which is 2 years from the date of grant of the share rights.

Vesting conditions set 3:

- a) in four equal tranches annually over 4 years from grant date; or
- b) 100% at such time as Conrad farms down or sells down to a Participating Interest of 20% or less in the Duyung Production Sharing Contract.

Vesting conditions set 4:

- a) on 25 September 2024, which is 2 years from the date of grant of the share rights; or
- b) 100% at such time as Conrad farms down or sells down to a Participating Interest of 20% or less in the Duyung Production Sharing Contract.

Vesting conditions set 5:

- a) in three equal tranches annually over 3 years from the date of grant of the share rights.

The share rights will lapse and expire if the vesting conditions are not met. Please refer to Note 14 for more information.

Options

Vesting conditions of options are not the same, depending on the recipient. There are three (3) different sets of vesting conditions in total.

Vesting conditions set 1:

- a) in three equal tranches annually over 3 years from grant date; or
- b) 100% at such time as Conrad farms down or sells down to a Participating Interest of 20% or less in the Duyung Production Sharing Contract.

Vesting conditions set 2:

- a) on 25 September 2023, which is 1 year from the date of grant of the options; or
- b) 100% at such time as Conrad farms down or sells down to a Participating Interest of 20% or less in the Duyung Production Sharing Contract.

4. Share Rights and Options (cont'd)

Vesting conditions set 3:

a) on 25 September 2024, which is 2 years from the date of grant of the options and only once the following performance-based vesting conditions being met:

- one-third of the options will vest through Conrad (or through West Natuna Exploration Limited (“WNEL”)) signing a binding gas sales agreement in respect of the Mako project.
- one-third of the options will vest upon the final investment decision in respect of the Mako project.
- one-third of the options will vest upon first production of gas from Mako Gas Field and supplied at the daily contract quality specified in any gas sales agreement executed by Conrad.

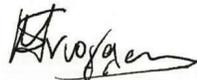
The options will expire at 5.00 pm (Singapore time) on 25 September 2027, the date which is the fifth anniversary of the grant date.

The details of outstanding share rights and options to subscribe for ordinary shares of the Group pursuant to the Conrad Incentive Plan are as follows:

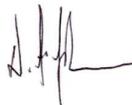
<u>Date of grant</u>	<u>Exercise price</u>	<u>Balance at the beginning of the financial period</u>	<u>Number of share rights (lapsed)/granted during the financial period</u>	<u>Number of share rights exercised during the financial period</u>	<u>Number of share rights outstanding as at the end of the financial period</u>
25.09.2022	-	80,000	-	-	80,000

<u>Date of grant</u>	<u>Exercise price</u>	<u>Balance at the beginning of the financial period</u>	<u>Number of options (lapsed)/granted during the financial period</u>	<u>Number of options vested during the financial period</u>	<u>Number of unvested options outstanding as at the end of the financial period</u>
25.09.2022	U\$0.81	853,338	-	-	853,338

On behalf of the Board of Directors,



.....
Miltiadis Xynogalas



.....
David Antony Johnson

Singapore

10 September 2025

Independent Auditor's Review Report

Zoho Sign Document ID: 33C9DD0D-OBQ-WSHYQLFVMEYDN6K7SRH1ITWOPC4SSU5H1OZ1OZY



MOORE STEPHENS LLP
CHARTERED ACCOUNTANTS OF SINGAPORE

REPORT ON REVIEW OF CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS TO THE SHAREHOLDERS OF

CONRAD ASIA ENERGY LTD
(Incorporated in Singapore)

Introduction

We have reviewed the accompanying condensed interim consolidated financial statements of Conrad Asia Energy Ltd (the "Company") and its subsidiaries (collectively referred to as the "Group"), which comprise the condensed consolidated statement of financial position of the Group as at 30 June 2025 and the related condensed consolidated statement of comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended, including material accounting policy information and certain explanatory information. Management is responsible for the preparation and fair presentation of this condensed interim consolidated financial statements in accordance with Singapore Financial Reporting Standards (International) ("SFRS(I)s") 1-34, *Interim Financial Reporting*. Our responsibility is to express a conclusion on these condensed interim consolidated financial statements based on our review.

Scope of Review

We conducted our review in accordance with Singapore Standard on Review Engagements 2410, "*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Singapore Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim consolidated financial statements do not give a true and fair view of the financial position of the Group as at 30 June 2025, and of the financial performance, changes in equity and cash flows for the six-month period then ended in accordance with SFRS(I) 1-34, *Interim Financial Reporting*.

Moore Stephens LLP
Public Accountants and
Chartered Accountants

Singapore

10 September 2025

About Conrad and its Projects

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

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

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

Notes on Petroleum Resource Estimates

The estimates of Contingent and Prospective Resources included in this presentation have been prepared in accordance with the definitions and guidelines set forth in the SPE-PRMS. Conrad is not aware of any new information or data that materially affects the information included in this presentation, and that all material assumptions and technical parameters underpinning the estimates in this presentation continue to apply and have not materially changed.

Deterministic and probabilistic methods have been used to prepare the estimates of Contingent & Prospective Resources. These resources have been aggregated by arithmetic summation and hence the aggregate 1C may be a very conservative estimate, and the 3C may be a very optimistic estimate, due to the portfolio effects of arithmetic summation. Prospective resources have been reported using the best estimate. Prospects and leads are made up of multiple potential reservoir horizons and these are "rolled-up" statistically into a single Prospective Resource. These Prospective Resources are statistically aggregated up to the field level and arithmetically summed to the project level.

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

Conversion from gas to barrels of oil equivalent is based a constant conversion factor of 5.8 Bcf/MMboe.

Cautionary Statement

The estimated quantities of gas that may potentially be recovered by the application of a future development project(s) relate to undiscovered accumulations. These estimates have both an associated risk of discovery and a risk of development. Further exploration appraisal and evaluation is required to determine the existence of a significant quantity of potentially recoverable hydrocarbons.

Qualified Petroleum Reserves and Resources Evaluator Statement

The resource estimates in this document are based on, and fairly represent, information and supporting documents prepared by, or under the supervision of David A. Johnson, who is employed fulltime by Conrad Asia Energy Limited as Chief Operating Officer. He holds a BSc (Honours) in Geology, has been practicing as a Petroleum Geoscientist for 45 plus years. He is a member of the Society of Petroleum Engineers ("SPE"). Mr. Johnson is qualified in accordance with ASX Listing Rule 5.41 and has consented in writing to the inclusion of the information in the form and context, in which it appears.

Forward Looking Statements

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

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

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All references to \$ or US\$ are in United States dollars unless stated otherwise.