

30 January 2026

ASX:CRD

Binding Term Sheet for Duyung PSC Settlement

Highlights

Conrad Asia Energy Ltd (**ASX: CRD**) (the “**Company**” or “**Conrad**”), an Asia-focused natural gas exploration and development company, is pleased to announce that the Company and its subsidiary, West Natuna Exploration Limited (“**WNEL**”), operator of Duyung Production Sharing Contract (“**PSC**”), have signed a binding term sheet for a settlement agreement (“**Term Sheet**”) with Empyrean Energy PLC (“**Empyrean**”) in relation to their historical cash call arrears.

As previously advised in 3Q 2025¹, WNEL had issued default notices to its Duyung co-venturers, including Empyrean, as required under the Joint Operating Agreement (“**JOA**”) between the parties, for cash call arrears. Subsequently, a withdrawal notice was issued to Empyrean to withdraw them from the JOA (“**Withdrawal Notice**”).²

The Term Sheet provides for:

- The transfer of Empyrean’s 8.5% Participating Interest (“**PI**”) in the Duyung PSC to WNEL (“**Empyrean PI Transfer**”);
- Empyrean and Conrad will incorporate a Singapore-domiciled Special Purpose Vehicle (“**SPV**”) with a shareholding of 8.5% to Empyrean and 91.5% to Conrad and enter into a shareholders’ agreement in respect of the SPV;
- Following the Empyrean PI Transfer, incorporation of the SPV and the transfer of WNEL’s 75% PI in the Duyung PSC to Nation Petroleum Natuna Barat (“**NNB**”) (“**NNB PI Transfer**”), 100% of the shares in WNEL will be transferred to the SPV (together, the “**Transactions**”);
- The withdrawal of the Withdrawal Notice by WNEL;
- On completion of the Transactions, Empyrean will pay US\$353,388.50 to Conrad. A further US\$353,388.50 will be paid to Conrad from Empyrean’s share of SPV dividends. Settlement of these two payments will represent the full and final settlement of all past claims that WNEL and Conrad may have against Empyrean; and
- The entry into a settlement agreement in respect of the terms and conditions of the Empyrean PI Transfer.

The Term Sheet provides that the Transactions will be subject to customary conditions precedent, including the approval from Indonesia’s SKK Migas of the Empyrean PI Transfer and the NNB PI Transfer, and entry into formal documentation for the Transactions.

Following the Ministry of Energy and Mineral Resources’ (“**MEMR**”) approval of the Coro PI transfer³, the Empyrean PI Transfer, and the NNB PI Transfer⁴, WNEL will hold a 25% PI in the Duyung PSC.

The Term Sheet will mark a significant step forward in maturing further the previously announced Mako Farmdown transaction⁵ (including the release of the US\$5 million first tranche of the NNB consideration). Empyrean will be entitled to 8.5% of the consideration to be paid to WNEL. Following the Transactions, WNEL, as the operator of the Duyung PSC, will continue to be

¹ ASX Release, Quarterly Activities Report for the Period Ending 30 September 2025, 27 October 2025

² ASX Release, Conrad Secures Farm Down & Funding for Mako Development, 19 November 2025

³ ASX Release, Conrad increases its stake in Duyung PSC to 91.5%, 19 May 2025

⁴ ASX Release, Conrad Secures Farm Down & Funding for Mako Development, 19 November 2025

⁵ *ibid*

responsible for the development of the Mako gas field and its operations once production starts.

Conrad will keep the market informed on the progress of the Transactions as and when it is in a position to do so.

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

“The Term Sheet between Conrad and Empyrean will allow us to put behind us a dispute, creating strong stakeholder alignment with all project participants. Additionally, it will expedite the upfront first cash payment of US\$5 million (out of the total consideration), targeted in the coming weeks. It’s now full steam ahead with project execution geared to deliver our previously announced Q4 2027 production start-up date, and total project financing secured.”

Duyung PSC – Mako Gas Field **Post Transactions 22.875% Participating Interest, Operator**

Duyung PSC is located in the Riau Islands Province, Indonesian waters in the West Natuna area, approximately 100 kms to the north of Matak Island and 400 kms northeast of Singapore. Upon completion of the transfer of Coro’s, Empyrean’s and WNEL’s PI, Conrad will hold a 22.875% operated interest in the Duyung PSC via its interests in WNEL. The Mako field, located in the Duyung PSC, contains 2C Contingent Resources (100%) of 376 billion cubic feet (“**Bcf**”), of which, post transfer, 58 Bcf will be net attributable to Conrad (a decrease of 135 Bcf from the volume reported in the CRD YE 2024 Annual Report⁶).

Authorised by the Board.

For more information, please contact:

Miltos Xynogalas
Managing Director & CEO
investors@conradasia.com
+65 6517 9700

Jane Morgan
Investor & Media Relations
jm@janemorganmanagement.com.au
+61 405 555 618

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.

⁶ Conrad Annual Report 2025, 31 March 2025

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 outlined 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 on 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 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 are 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 full-time by Conrad Asia Energy Limited as Chief Operating Officer. He holds a BSc (Honours) in Geology and has been practising 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.

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