ASX:CRD

INTERIM REPORT

For the Period Ended 30 June

2026

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Interim Report
for the Period Ended 30 June 2026

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Corporate Directory

Conrad Asia Energy Ltd (ASX: CRD)

Directors

Peter Botten	Executive Chairman
Miltiadis Xynogalas	Executive Director
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	Executive Chairman
Miltiadis Xynogalas	Executive Director
David Johnson	Executive Director and COO
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 six months ended 30 June 2026 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 ended 30 June 2026.

Highlights – First Half 2026

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 months ended 30 June 2026 ("**Interim**", "**Reporting Period**" or "**First Half**") during which considerable progress has been made in the development of Conrad's Mako Gas Project in the Duyung Production Sharing Contract ("**Duyung PSC**") located in the West Natuna Sea.

In the West Natuna Sea, Conrad has continued to mature the commercial development of the Mako Gas Project. During the Reporting Period, the Company announced the Final Investment Decision ("**FID**") for the project[1] following completion of key commercial, technical and funding milestones, including execution of a gas sales agreement and the previously announced transaction to farm-down 75% Participating Interest ("**PI**") to Nations Natuna Barat ("**Nations**" or "**NNB**"), a subsidiary of the Arsari Group (the "**NNB PI Transfer**"). Under the agreed project structure, development capital expenditures ("**Capex**") are to be funded by NNB, resulting in the project being fully funded (including a substantial contingency).

Conrad recognised Reserves in the Project for the first time, booking 1P Reserves of 20 million barrels of oil equivalent ("**mmboe**") and 2P Reserves of 29 mmboe, net attributable to Conrad based on its participating interest as at 31 December 2025, PI of 76.5%[2].

Through the First Half, Conrad continued to progress the project through the execution of key binding contracts, including the drilling rig, the Subsea Umbilical, Riser, and Flowline ("**SURF**"), the Conductor Support Frame ("**CSF**"), the Mobile Offshore Production Unit ("**MOPU**") and various supporting facilities and services. Subsequent to the end of the Reporting Period, by the end of July 2026, letters of award covering more than US$290 million of Project capital contracts had been issued, constituting over 90% of the total Capex, which the Company continues to estimate at US$320 million, unchanged from previous guidance. The Project continues to be fully funded (including a substantial contingency). First gas remains targeted for 4Q 2027.

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[1] ASX Release, *Formal Approval of FID for Mako Gas Project*, 03 March 2026

[2] Upon completion of the transfer of Coro's 15% PI and Empyrean's 8.5% PI to Conrad, the transfer of Conrad's 75% PI to Nations, and the issue of 8.5% equity in WNEL Holdings to Empyrean (together, the "Transactions"), Conrad will hold a 22.875% operated effective PI in the Duyung PSC via its interests in WNEL. A restatement of Reserves and Resources will be issued upon completion of the Transactions.

During the Reporting Period, Conrad was also informed that PT PLN Energi Primer Indonesia ("**PLN EPI**"), the contracted buyer of 100% of the gas from the Mako Gas Project, completed the "hot tap" connection on the West Natuna Transportation System ("**WNTS**") to the Pemping gas pipeline project, which is the delivery point for Mako's gas into Batam. This marked an important step in developing infrastructure that will connect Natuna gas supplies to Indonesia's domestic energy market. The pipeline is expected to be commissioned during September 2026.

During the First Half, Conrad also continued to make progress on the execution of the NNB PI Transfer, including satisfaction of all conditions to make the NNB PI Transfer effective. This triggered the receipt of US$5 million, which was the first tranche of the total payment consideration of US$16 million.

Subsequently, the Company received approval from Indonesia's Ministry of Energy and Mineral Resources ("**MEMR**") for the transfer of the 15% PI of Coro Energy plc ("**Coro**") in Duyung PSC to the Group's subsidiary West Natuna Exploration Ltd ("**WNEL**") on 13 March 2026.

After the Reporting Period, on 23 July 2026, the Company received MEMR approval for the transfer of the 8.5% PI of Empyrean Energy plc ("**Empyrean**") in Duyung PSC to WNEL. Further, on 27 August 2026, the Company received MEMR approval for, and subsequently reached completion of, the NNB PI Transfer, also triggering the payment of US$4 million from NNB, which is the second tranche of the cash consideration for the NNB PI Transfer. The third tranche of US$7 million is payable upon commencement of commercial production. The remainder of the acquisition consideration will be paid through production revenues until 75% of past costs have been recovered.

During the Reporting Period, Conrad also announced a leadership restructure. With the successful transition of the Mako Gas Project from exploration to a fully funded development, Miltos Xynogalas decided to step back from his role as CEO, with effect from 31 August 2026, to transition to a new executive role focused on partner relationships, business development across the Indonesian and regional portfolio, and engagement with Indonesian government stakeholders. Peter Botten was appointed Executive Chairman, with an expanded mandate covering Australian capital markets engagement, investor communication, oversight of the Mako development through to first gas, and continued progression of Conrad's Aceh assets. Conrad commenced the search for a new CEO[3].

Operational & Financial Update – First Half 2026

Duyung PSC - Mako Gas Field	22.875% PI (post completion of all PI transactions), Operator

Duyung PSC is located in the Riau Islands Province, within Indonesian waters in the West Natuna area, approximately 100 km to the north of Matak Island and 400 km northeast of Batam (Figure 1). The Mako gas field is located in the Duyung PSC at a water depth of approximately 91 metres.

The Mako Gas Project is initially planned to comprise six development wells tied back to a leased MOPU (Figure 1). The MOPU has a design capacity of 172 million standard cubic feet per day ("**MMscfd**"). Sales gas will be transported via an approximately 59 km long, 18-inch pipeline to the KF platform in the adjoining Kakap PSC, then through the WNTS pipeline for delivery to the Indonesian domestic market.

In July 2025, the Company announced that it had signed a binding Gas Sales Agreement ("**GSA**") for 100% of the gas from the Mako Gas Project to be sold to PT PLN EPI, a wholly owned subsidiary of PT Perusahaan Listrik Negara (Persero), with a total contract quantity of 392 thousand billion British thermal units ("**TBtu**") extending up to 2037 and plateau sales rates of up to 111 billion British thermal units per day ("**Bbtud**"), at attractive oil-linked gas prices linked to the Indonesian Crude Price ("**ICP**"), an oil price index similar to Brent.

Supply will be facilitated via a new spur pipeline from the WNTS to Pemping Island, Riau Province. During the First Half, Conrad was informed that PLN EPI completed the "hot tap" connection on the WNTS to the Pemping gas pipeline project, which is the delivery point for the gas from the Mako Gas Project. This was an important step in developing infrastructure that will connect Natuna gas supplies to Indonesia's domestic energy market.

Gas allocation volumes and transportation tariffs within the WNTS have been agreed with SKK Migas and the WNTS Joint Venture. A formal Gas Transportation Agreement was executed during the First Half.

[3] ASX Release, *Conrad Announces Leadership Structure as Company Advances Toward First Gas,* 03 June 2026

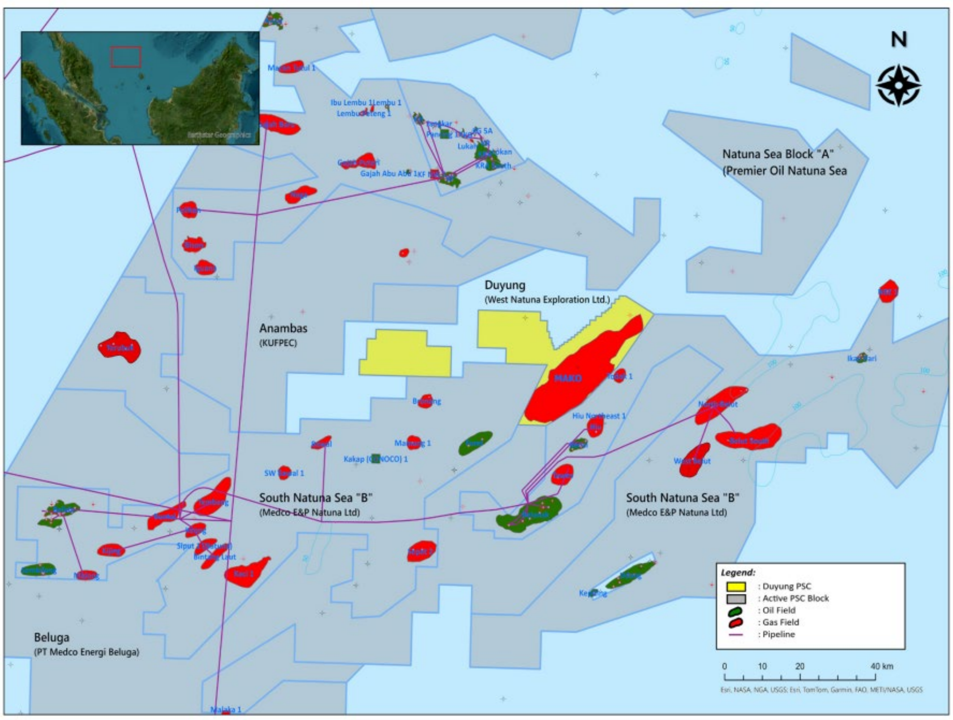

Figure 1 – Location Map of Duyung PSC

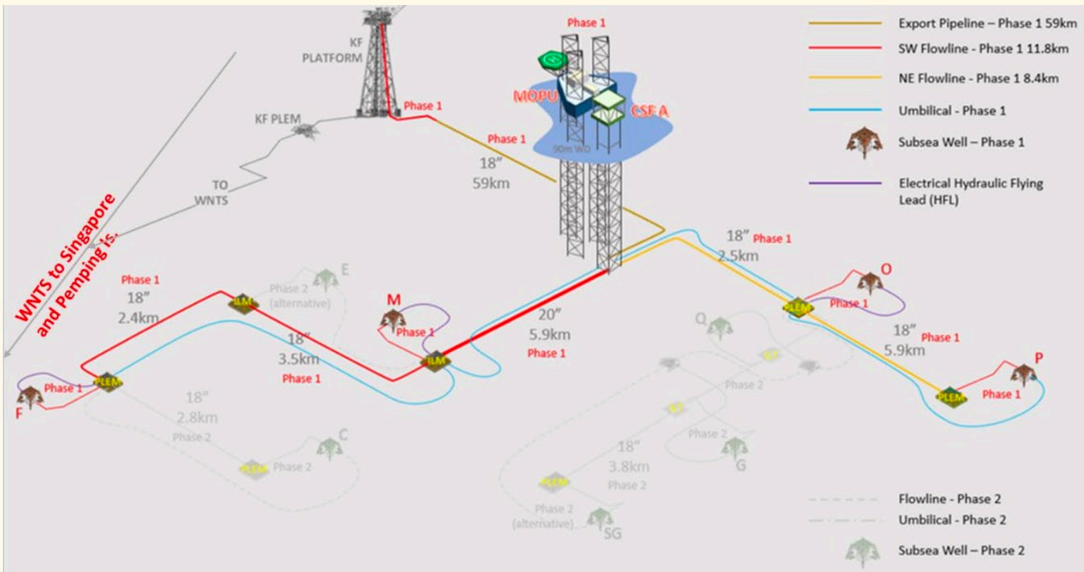

Figure 2 – Mako Field Development Concept Layout

On 3 March 2026, the Company announced that it had taken FID to proceed with the development of the Mako Gas Project[4]. FID followed completion of key commercial, technical and funding milestones, including execution of a gas sales agreement and the previously announced NNB PI Transfer. Under the agreed project structure, development Capex are to be funded by NNB, resulting in the Mako Gas Project being fully funded (including a substantial contingency).

[4] ASX Release, *Formal Approval of FID for Mako Gas Project*, 03 March 2026

At YE25, Gaffney Cline Associates, in their annual independent review of the reserves and resources of the Mako Gas field, have, for the first time, recategorised a portion of Mako gas volumes as Reserves. As at 31 December 2025, and based on Conrad holding a 76.5% PI in Duyung PSC, Mako is estimated to contain 2P Reserves of 330 Bcf, 100% (170 Bcf net attributable, at 76.5% PI) and 2C Contingent Resources of 12 Bcf, 100% (9 Bcf net attributable)[5].

Through the First Half, Conrad continued to progress the execution of the NNB PI Transfer:

(1) On 23 February 2026, the Company announced that the Company and WNEL had satisfied the conditions precedent for the NNB PI Transfer to become effective[6]. This triggered the receipt of US$5.0 million, which was the first tranche of the agreed total cash consideration of US$16.0 million.

(2) On 13 March 2026, the Company received MEMR approval for the transfer of Coro's 15% PI in Duyung PSC to the Group's subsidiary WNEL. This transfer was part of the previously announced settlement agreement between Conrad and Coro to resolve a dispute related to their outstanding cash call arrears associated with Duyung PSC. On 24 April 2026 the Company issued to Coro 500,000 new Chess Depository Interests in Conrad ("**Conrad Shares**")[7]. The Conrad Shares were issued from the share allocation approved by Conrad shareholders during the AGM of 18 June 2025.

(3) On 23 July 2026, the Company received MEMR approval for the transfer of Empyrean's 8.5% PI in Duyung PSC to WNEL. This transfer was part of the previously announced settlement agreement between Conrad and Empyrean to resolve a dispute over outstanding cash call arrears associated with Duyung PSC.

(4) On 27 August 2026, the Company received MEMR approval for, and subsequently reached completion of, the NNB PI Transfer, also triggering the payment of US$4 million from NNB which is the second tranche of the cash consideration for the NNB PI Transfer (from the total cash consideration of US$16 million, of which the first tranche of US$5 million was received in March 2026). The third tranche of US$7 million is payable upon commencement of commercial production. The remainder of the acquisition consideration will be paid through production revenues until 75% of past costs have been recovered.

(5) Conrad will issue 8.5% equity in WNEL Holdings Pte Ltd to Empyrean, and consequently hold a 22.875% operated effective PI in the Duyung PSC via its interests in WNEL[8].

(6) A restatement of Reserves and Resources will be issued upon completion of the transactions.

Total Capex to first gas is estimated at US$320 million (100%), (WNEL 25% share approximately US$80 million), in line with prior guidance[9,10]. In addition, the MOPU contract requires payment of US$4 million for the purchase of a donor rig and a US$26 million facility equipment down payment, which is accounted for as part of a previously announced provision of approximately US$35 million (100%). Future operating costs are targeted as US$70-80 million (100%) per annum (including pipeline transportation costs).

During the First Half, Conrad continued to progress the execution of the project with the execution of key binding contracts, including:

(1) SURF[11]: with PT Timas Suplindo ("**Timas**") with scope of work including (i) verification of front-end engineering and design and execution of a detail engineering design, (ii) procurement, management, storage, and integration of materials, (iii) construction and assembly, coating and inspection of subsea structures and associated SURF components, (iv) transportation and installation, and (v) pre-commissioning and commissioning support;

[5] *Reserves & Resources Report for The Duyung PSC, Indonesia*, GaffneyCline Associates, 27 March 2026
[6] ASX Release, *Farm-Out Milestone Unlocks Consideration Payment*, 23 February 2026
[7] ASX Release, *Application for quotation of securities - CRD*, 24 April 2026
[8] ASX Release, *Conrad Secures Farm Down & Funding for Mako Development*, 19 November 2025
[9] P50 Capex estimate excluding any potential down payment for the planned leased MOPU
[10] ASX Release, *Annual Report 2025 for the Year Ended 31 December 2024*, 31 March 2025
[11] ASX Release, Execution of Mako SURF Contract, 08 May 2026

(2) Drilling Rig[12]: with PT Pertamina Drilling Services Indonesia ("**Pertamina Drilling**") through the PDSI – ADES Consortium for a firm period of 180 days, with options to extend, for the provision of an independent-leg cantilever jack-up drilling rig, the Admarine 502, for the drilling of six development wells and the installation of the CSF to support the development of the Mako Gas Field;

(3) MOPU[13]: with PT Duta Marine/PT Pakarti Tirtoagung ("**PT DM**") for the provision of a leased MOPU unit, with the scope of work including (i) sourcing and conversion of a donor jack-up drilling rig to a MOPU in Batam, with a raw gas design capacity of 172 mmscfd, (ii) mobilisation to site, (iii) bareboat charter until end of current PSC term (Jan 2037) plus five annual extension options, (iv) operations and maintenance of the MOPU, and (v) demobilisation back to Batam at the end of the contract life; and

(4) CSF[14]: with PT PAL Indonesia ("**PT PAL**") with scope of work including (i) detailed engineering, (ii) procurement, (iii) construction and assembly of the jacket and topside structures, and (iv) transportation.

By the end of July 2026, WNEL had issued letters of award covering more than US$290 million of Project capital contracts, constituting over 90% of the total Capex. Binding contracts or Letters of Award had been issued for the drilling rig, MOPU, SURF EPCI, and CSF (conductor support frame) EPCT. Below is a summary of material contracts already awarded:

Scope	Type	Contractor
Drilling Rig	Capital	ADES
SURF (subsea, umbilicals, risers, flowlines) EPCI	Capital	PT. Timas Suplindo
CSF (conductor support frame)	Capital	PT. PAL Indonesia
Supporting Facilities & Drilling Contracts	Capital	Various (18 awarded by the date of issue of this report)
MOPU	Operating	Duta Marine

With contracts representing 90% of the project's value now awarded, we continue to estimate total project costs at US$320 million, unchanged from previous guidance. First gas is still targeted for 4Q 2027.

ONWA & OSWA PSCs **100% PI, Operator**

Figure 3 – Location Map of ONWA & OSWA PSCs

[12] ASX Release, Execution of Mako Offshore Drilling Rig Contract, 05 June 2026
[13] ASX Release, *Execution of Mako Mobile Offshore Production Unit Contract*, 22 June 2026
[14] ASX Release, *Execution of Mako SURF Contract*, 08 May 2026

Conrad holds 100% operated interests in both ONWA and OSWA PSCs, which were awarded to Conrad in January 2023. The blocks together cover approximately 20,000 square km, with each PSC having a 30-year tenure. Based on independent competent persons' reports ("**CPR**") covering the discovered biogenic gas resources in the shallow-water areas of the Aceh PSCs, the estimated gross (100%) 2C Contingent Resource is 215 Bcf of sales gas (162 Bcf net attributable to Conrad, after the government fiscal take) (Table 1) in three of the four discovered gas accumulations in the two PSCs[15]. The CPRs for ONWA[16] and OSWA[17] ascribed a net present value ("**NPV**") of US$88 million net attributable to Conrad, assuming a contractor take of 72.1% (this does not account for potential 10% local state participation, which could occur after Final Investment Decision).

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

Table 1 – ONWA & OSWA Contingent Resources (May 2023)

Figure 4 – Location Map of ONWA 3D Seismic and Meulaboh Cluster

The planned circa 500 square kilometre 3D 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%. This programme will materially enhance the Company's 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 campaign of further drilling and preparation of a Plan of Development with gas sales, which may include mini-LNG or power generation.

During the First Half, Conrad continued to progress discussions with potential equity partners in relation to a minority, non-operated farm-in into both of its Aceh assets. Several parties have already attended a data room for a prospective farm-down of some of Conrad's PI in the ONWA and OSWA PSCs.

[15] 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
[16] Executive Summary Competent Person's Report – Meulaboh Discovery, May 15, 2023, THREE60SUBS/INTER/02/2023-010A
[17] Executive Summary Competent Person's Report – Singkil Discovery, May 15, 2023, THREE60SUBS/INTER/02/2023-010B

Sustainability

During the First Half, the Company maintained strong safety performance across its operated activities. The Company recorded zero fatalities, zero lost time injuries, and no recordable or first aid incidents.

As the Company progresses toward development of the Mako Gas Field and advances appraisal and development activities within the Aceh PSCs, risk management systems are being enhanced to reflect the increasing scale and complexity of operations. This includes contractor management, major hazard risk assessment, emergency preparedness and leadership engagement in safety culture.

Conrad seeks to minimise the environmental footprint of its activities through disciplined operational planning, regulatory compliance and adoption of recognised environmental management practices. Environmental impact assessments are undertaken in accordance with host government requirements, and mitigation measures are incorporated into project design and execution plans.

The Company aims to monitor and manage key environmental risks, including emissions, waste, water use and spill prevention. As projects mature toward development, environmental controls and reporting frameworks are strengthened to ensure alignment with evolving regulatory expectations and stakeholder standards.

Petroleum Tenement Holdings

As of 30 June 2026, Conrad's petroleum tenement holdings were:

Tenement and Location	Beneficial Interest at 31 December 2025	Beneficial Interest acquired/(disposed) during 1H 2026	Beneficial Interest at 30 June 2026
Duyung PSC *West Natuna Basin, Indonesia*	76.5%	15%	91.5%[18]
Offshore North West Aceh PSC *Offshore Aceh Province, Indonesia*	100%	nil	100%
Offshore South West Aceh PSC *Offshore Aceh Province, Indonesia*	100%	nil	100%

Summary Financial Results

The Group's consolidated profit after income tax for the six months ended 30 June 2026 was US$8.59 million (six months ended June 2025: consolidated loss after income tax of US$2.40 million).

The Group continued to advance the development of the Mako Gas Project during the Reporting Period. Oil and gas assets under development increased to US$66.22 million as at 30 June 2026 (31 December 2025: US$28.42 million), reflecting continued investment into the Mako Gas Project as well as the acquisition of Coro's 15% PI. Prepayments increased to US$24.04 million, primarily due to advance payments made for key long-lead development equipment in support of the project.

The Group's financial position remained strong, with total assets increasing to US$102.72 million as at 30 June 2026 (31 December 2025: US$44.90 million), primarily reflecting continued investment into the Mako Gas Project as well as the acquisition of Coro's 15% PI. The increase was principally supported through financing provided by NNB, with borrowings increasing to US$39.09 million (31 December 2025: US$7.29 million). Cash and cash equivalents increased to US$3.26 million as at 30 June 2026 (31 December 2025: US$1.36 million), providing continued liquidity to support the ongoing execution of the project.

[18] This will reduce to 22.875% post the completion of the Empyrean PI Transfer and the NNB PI Transfer

The Group recorded net cash used in operating activities of US$11.04 million, primarily reflecting working capital movements associated with the advancement of the Mako development. Net cash used in investing activities amounted to US$17.80 million, relating to expenditure on the Mako Gas Project, partially offset by advance consideration received under the farm-down agreement. These cash outflows were substantially funded through drawdowns under the financing arrangements with NNB, resulting in net cash generated from financing activities of US$30.75 million.

The Group remains focused on progressing the Mako Gas Project towards first commercial production while continuing to execute the remaining development activities and associated project financing arrangements.

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 require separate disclosure.

Events After the Reporting Period

As described above:

(1) On 23 July 2026, the Company received MEMR approval for the transfer of Empyrean's 8.5% PI in Duyung PSC to WNEL. This transfer was part of the previously announced settlement agreement between Conrad and Empyrean to resolve a dispute over outstanding cash call arrears associated with Duyung PSC.

(2) On 27 August 2026, the Company received MEMR approval for, and subsequently reached completion of, the NNB PI Transfer, also triggering the payment of US$4 million from NNB which is the second tranche of the cash consideration for the NNB PI Transfer (from the total cash consideration of US$16 million, of which the first tranche of US$5 million was received in March 2026). The third tranche of US$7 million is payable upon commencement of commercial production. The remainder of the acquisition consideration will be paid through production revenues until 75% of past costs have been recovered.

Authorised by the Board of Directors of Conrad.

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Condensed Consolidated Statement of Comprehensive Income for the Six-Month Financial Period Ended 30 June 2026

	Note	Consolidated 6 months ended 30 June 2026 US$	Consolidated 6 months ended 30 June 2025 US$
Revenue		-	-
Other income	2	13,174,604	1,554
Other operating expenses		(3,646,805)	(2,397,406)
Finance income	4	905	3,728
Finance expense	5	(942,248)	(9,360)
Profit/(loss) before income tax	3	8,586,456	(2,401,484)
Income tax	6	-	-
Profit/(loss) after tax representing total comprehensive Income/(loss) for the financial period		8,586,456	(2,401,484)
Profit/(loss) per share			
- Basic	14(a)	0.04	(0.01)
- Diluted	14(a)	0.04	(0.01)

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

Condensed Consolidated Statement of Financial Position as at 30 June 2026

	Note	30 June 2026 US$	31 December 2025 US$
ASSETS			
Non-current assets			
Property, plant and equipment	7	66,594,993	28,536,372
Exploration and evaluation assets	9	901,472	862,120
Other receivables	11	2,761,764	2,716,754
		70,258,229	32,115,246
Current assets			
Financial asset at fair value through profit or loss	10	25,465	3,008
Other receivables	11	5,131,427	3,718,544
Prepayment	12	24,041,190	7,705,446
Cash and cash equivalents	13	3,263,985	1,360,602
		32,462,067	12,787,600
TOTAL ASSETS		102,720,296	44,902,846
EQUITY AND LIABILITIES			
Equity and reserves			
Share capital	14	87,372,248	86,852,748
Employee benefits reserve	15	1,284,048	1,258,029
Accumulated losses		(43,460,058)	(52,046,514)
		45,196,238	36,064,263
Liabilities			
Non-current liabilities			
Borrowings	19	39,093,350	7,292,606
Lease liabilities	20	162,682	-
		39,256,032	7,292,606
Current liabilities			
Other payables	16	18,087,946	1,371,310
Warrants	17	-	55,508
Lease liabilities	20	180,080	119,159
		18,268,026	1,545,977
TOTAL EQUITY AND LIABILITIES		102,720,296	44,902,846

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 2026

	Share capital US$	Accumulated losses US$	Employee benefits reserve US$	Total attributable to the owners of the Company US$
Group				
Balance as at 1 January 2026	86,852,748	(52,046,514)	1,258,029	36,064,263
Profit after tax representing total comprehensive income for the financial period	-	8,586,456	-	8,586,456
Issuance of ordinary shares	519,500	-	-	519,500
Recognition of share-based payments under Conrad Incentive Plan	-	-	46,255	46,255
Adjustment to employee share options	-	-	(20,236)	(20,236)
Balance as at 30 June 2026	87,372,248	(43,460,058)	1,284,048	45,196,238
Balance as 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 as at 30 June 2025	86,825,764	(50,365,098)	1,176,839	37,637,505

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 2026

	Consolidated 6 months ended 30 June 2026 US$	Consolidated 6 months ended 30 June 2025 US$
Cash Flows from Operating Activities		
Profit/(loss) before income tax	8,586,456	(2,401,484)
Adjustments for:		
Interest income	(905)	(3,728)
Interest expense	942,248	9,360
Provision of impairment loss on amount due from PSC partners (Note 11)	-	112,086
Discounting of performance bond	(45,010)	(52,280)
Depreciation of property, plant and equipment	109,758	114,469
Gain on transfer of participating interest	(13,173,038)	-
Fair value (gain)/loss on revaluation of financial assets, at FVPL	(22,457)	8,114
Fair value change of warrants	(55,508)	(463,692)
Unrealised foreign exchange (gain)/loss	(4,555)	23,254
Employee Incentive Plan expense	46,255	153,825
Adjustment to employee share options	(20,236)	(346,265)
Operating cash flows before working capital changes	(3,636,992)	(2,846,341)
Changes in working capital:		
Increase in other receivables	(5,148,846)	(145,160)
Increase in prepayments	(13,635,854)	(958,905)
Increase/(decrease) in other payables	11,379,783	(9,073)
Cash used in operations	(11,041,909)	(3,959,479)
Interest received	905	3,728
Net cash used in operating activities	(11,041,004)	(3,955,751)
Cash Flows from Investing Activities		
Purchase of property, plant and equipment	(22,761,688)	-
Increase in exploration and evaluation assets (Note 9)	(39,352)	(437,558)
Advance consideration from farm-down of participating interest	5,000,000	-
Net cash used in investing activities	(17,801,040)	(437,558)
Cash Flows from Financing Activities		
Proceeds from borrowing	30,865,965	-
Proceeds from issuance of ordinary shares	-	5,816,986
Cost of issuing capital	-	(245,375)
Repayment of lease liabilities	(111,764)	(112,926)
Interest paid	(4,909)	(6,664)
Net cash generated from financing activities	30,749,292	5,452,021
Net increase in cash and cash equivalents	1,907,248	1,058,712
Cash and cash equivalents at the beginning of the financial period	1,360,602	4,113,333
Effect of exchange rate changes on cash and cash equivalents	(3,865)	(4,002)
Cash and cash equivalents at the end of the financial period (Note 13)	3,263,985	5,168,043

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:

		Cash flow	Non-cash changes			
	1 January	Repayments	Interest expense	Unrealised foreign exchange	Addition	30 June
	US$	US$	US$	US$	US$	US$
2026						
Borrowings	7,292,606	-	934,779	-	30,865,965	39,093,350
Lease liabilities	119,159	(116,673)	4,909	(8,420)	343,787	342,762
	7,411,765	(116,673)	939,688	(8,420)	31,209,752	39,436,112
2025						
Lease liabilities	258,289	(119,590)	6,664	17,639	-	163,002

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 2026 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 2025.

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

<u>Adoption of new and revised Singapore Financial Reporting Standards (International) ("SFRS(I)") issued which are effective in the current financial period</u>

On 1 January 2026, 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.

<u>Adoption of New and Revised SFRS(I) issued but not yet effective</u>

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
Amendments to SFRS(I) 18: Presentation and Disclosure in Financial Statements	1 January 2027
Amendments to SFRS(I) 19: Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to FRS 21 The Effects of Changes in Foreign Exchange	1 January 2027
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	Deferred indefinitely, early application is still permitted

(cont'd)

1. Basis of Preparation (cont'd)

Other than below, the directors expect 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 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 2025.

(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 2025.

2. Other Income

	30 June 2026 US$	30 June 2025 US$
Government grants	1,566	1,554
Gain on transfer of participating interest	13,173,038	-
	13,174,604	1,554

During the current financial period, the Group recognised a gain upon the completion of the transfer of Coro Energy Duyung (Singapore) Pte. Ltd.'s ("Coro") 15% participating interest in the Duyung Production Sharing Contract ("Duyung PSC") to WNEL, following receipt of the required approval from Ministry of Energy and Mineral Resources ("MEMR") on 13 March 2026.

Upon completion of the transfer, WNEL succeeded to Coro's rights and obligations in respect of the transferred participating interest under the Duyung PSC. Accordingly, WNEL's participating interest in the Duyung PSC increased from 76.5% to 91.5%, and the Group recognised WNEL's corresponding additional proportionate share of the underlying assets and liabilities of the Duyung PSC.

3. Profit/(Loss) before Income Tax

	30 June 2026 US$	30 June 2025 US$
Depreciation of plant and equipment	109,758	114,469
Discounting effect of performance bond	(45,010)	(52,280)
Computer expense/IT equipment	157,491	94,035
Consultancy fees	417,949	182,388
Provision of impairment loss on amount due from PSC partners	-	112,086
Insurance	94,705	99,951
Legal and professional fees	267,009	134,748
Tax on transfer of participating interest	350,000	-
Staff costs:		
- Director's remuneration	240,000	240,000
- Director's fees	199,500	175,500
- Fees for professional services	335,025	435,566
- Staff salaries	984,143	767,193
- Staff benefits	81,817	60,854
Travelling	133,374	121,722
Employee Incentive Plan expense	46,255	153,825
Adjustment to employee share options	(20,236)	(346,265)
Fair value (gain)/loss on revaluation of financial assets, at FVPL	(22,457)	8,114
Fair value change of warrants	(55,508)	(463,692)

4. Finance Income

	30 June 2026 US$	30 June 2025 US$
Interest income from cash and cash equivalents	905	3,728

5. Finance Expense

	30 June 2026 US$	30 June 2025 US$
Interest expense		
- Others	2,560	2,696
- Lease liabilities (Note 20)	4,909	6,664
- Borrowings (Note 19)	934,779	-
	942,248	9,360

6. Income Tax

	30 June 2026 US$	30 June 2025 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 profit/(loss) before taxation due to the following factors:

	30 June 2026 US$	30 June 2025 US$
Profit/(loss) before income tax	8,586,456	(2,401,484)
Tax calculated at 17%	1,459,698	(408,252)
Tax effects of:		
- Non-deductible expenses	83,571	33,561
- Non-taxable income	(2,944,246)	-
- Effect of different tax rates of subsidiaries operating in other jurisdictions	563,340	(63,459)
- Deferred tax assets not recognised	837,637	438,150
	-	-

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$69,000,000 (30 June 2025: US$62,000,000) 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 2026 US$	30 June 2025 US$
Unutilised tax losses (approximate to the nearest million)	12,000,000	10,000,000

7. Property, Plant and Equipment

	Computers US$	Office renovation US$	Furniture and fittings US$	Office equipment US$	Leased building[1] US$	Oil and gas assets under development [2] US$	Total US$
2026							
Cost							
Balance at 1 January	95,757	16,132	145,260	4,036	940,405	28,416,225	29,617,815
Acquisition of additional participating interest	-	-	-	-	-	15,062,904	15,062,904
Additions	5,393	-	12,267	-	343,787	22,744,028	23,105,475
Write-off	-	-	-	-	(134,567)	-	(134,567)
Balance at 30 June	101,150	16,132	157,527	4,036	1,149,625	66,223,157	67,651,627
Accumulated depreciation							
Balance at 1 January	95,757	16,132	128,947	4,036	836,571	-	1,081,443
Depreciation	299	-	4,671	-	104,788	-	109,758
Write-off	-	-	-	-	(134,567)	-	(134,567)
Balance at 30 June	96,056	16,132	133,618	4,036	806,792	-	1,056,634
Net book value							
At 30 June 2026	5,094	-	23,909	-	342,833	66,223,157	66,594,993
2025							
Cost							
Balance at 1 January	95,757	16,132	151,981	4,036	898,352	-	1,166,258
Transferred from exploration and evaluation assets (Note 11)	-	-	-	-	-	28,224,603	28,224,603
Additions	-	-	-	-	42,053	191,622	233,675
Write-off	-	-	(6,721)	-	-	-	(6,721)
Balance at 31 December	95,757	16,132	145,260	4,036	940,405	28,416,225	29,617,815
Accumulated depreciation							
Balance at 1 January	94,846	15,078	117,600	3,243	640,470	-	871,237
Depreciation	911	1,054	12,040	793	196,101	-	210,899
Write-off	-	-	(693)	-	-	-	(693)
Balance at 31 December	95,757	16,132	128,947	4,036	836,571	-	1,081,443
Net book value							
At 31 December 2025	-	-	16,313	-	103,834	28,416,225	28,536,372

[1] Right-of-use asset arising from leased buildings is recognised in accordance with SFRS(I) 16 *Leases*. Please see Note 20 for more information.

7. Property, Plant and Equipment (cont'd)

[(2)] Oil and Gas Assets under Development

	30 June 2026 US$	31 December 2025 US$
Balance at the beginning of the financial period/year	28,416,225	-
Reclassification from exploration and evaluation assets	-	28,224,603
Acquisition of additional participating interest	15,062,904	-
Additions	22,744,028	191,622
Balance at the end of the financial period/year	66,223,157	28,416,225

During the current financial period ended 30 June 2026, oil and gas assets under development increased by US$15,062,904 following the completion of the acquisition of Coro's 15% participating interest in the Duyung PSC. Upon completion of the transfer, WNEL's participating interest in the Duyung PSC increased from 76.5% to 91.5%. As a result, WNEL succeeded to Coro's rights and obligations in respect of the transferred participating interest and recognised the corresponding oil and gas assets under development attributable to that participating interest.

In the previous financial year, exploration and evaluation assets amounting to US$28,224,603 (Note 11) were reclassified to oil and gas assets under development following management's assessment that the technical feasibility and commercial viability of extracting the resource had become demonstrable. The exploration and evaluation assets were assessed for impairment prior to reclassification and no impairment loss was recognised.

The oil and gas assets under development relate to capitalised development expenditures incurred for the Mako gas field under the Duyung PSC. As at 30 June 2026, the Mako gas field remains under development, and commercial production has not yet commenced. As such, these oil and gas assets under development are not depreciated.

Oil and gas assets under development are carried at cost less accumulated impairment losses and are not depreciated until the commencement of commercial production, at which point depreciation is recognised using the units-of-production method based on proved and probable reserves.

8. Investments in Subsidiaries

	Company	
	30 June 2026 US$	31 December 2025 US$
Unquoted equity investments, at cost		
Balance at the beginning and end of the period/year	17,573	17,573

The details of subsidiaries are as follows:

Name of subsidiaries and country of incorporation	Principal activities	Effective equity interest 30.06.2026 %	Effective equity interest 31.12.2025 %
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
WNEL Holdings Pte. Ltd. Singapore	Investment holding company	100	-

During the current financial period, the Company incorporated WNEL Holdings Pte. Ltd., a wholly owned subsidiary incorporated in Singapore.

9. Exploration and Evaluation Assets

	30 June 2026 US$	31 December 2025 US$
Balance at the beginning of the financial period/year	862,120	28,497,724
Additions during the period/year	39,352	588,999
Reclassification to oil and gas assets under development	-	(28,224,603)
Balance at the end of the financial period/year	901,472	862,120

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

	30 June 2026 US$	31 December 2025 US$
Cash	39,352	588,999

10. Financial Asset at Fair Value through Profit or Loss

	30 June 2026 US$	31 December 2025 US$
Investment in quoted shares	25,465	3,008

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

	30 June 2026 US$	31 December 2025 US$
At the beginning of the financial period/year	3,008	15,099
Fair value gain/(loss)	22,457	(12,091)
At the end of the financial period/year	25,465	3,008

Investment in quoted shares pertains to the share consideration received from the disposal of a production sharing contract interest in a subsidiary, WNEL. 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 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 2026 US$	31 December 2025 US$
Other receivables and deposits:		
Production Sharing Contract partners (a)	5,022,402	3,638,839
Impairment loss on PSC partners		
At the beginning of the period/year	-	(1,187,597)
Allowance during the period/year	-	1,187,597
At the end of the period/year	-	-
Net amounts due from PSC partners	5,022,402	3,638,839
Deposits (b)	284,843	292,912
Performance bond (c)	2,536,764	2,491,754
Other receivables	49,182	11,793
	7,893,191	6,435,298
Non-current	2,761,764	2,716,754
Current	5,131,427	3,718,544
	7,893,191	6,435,298

(a) As at 30 June 2026, WNEL and Empyrean Energy PLC ("Empyrean") held participating interests of 91.5% and 8.5%, respectively, in the Duyung PSC. During the current financial period, WNEL acquired Coro's 15% participating interest in the Duyung PSC following receipt of the required approval from MEMR on 13 March 2026 (31 December 2025: WNEL 76.5%, Coro 15% and Empyrean 8.5%).

The balance pertains to 100% of the operating costs incurred by WNEL as operator of the Duyung PSC, which are charged to the remaining PSC partner, Empyrean, in accordance with its participating interest. These costs primarily comprise drilling, development and exploration expenditure incurred in relation to the approved gas field and are recoverable through the cash call mechanism. As at 30 June 2026 and 31 December 2025, the PSC partner agreed to offset receivables and payables arising from joint interest billings and, accordingly, the balances are presented on a net basis under "PSC partner".

As at 30 June 2026, management reassessed the recoverability of the receivables from the PSC partner based on information available at the reporting date. Accordingly, there is now no recognised impairment allowance (2025: US$1,187,597).

(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 BPMA to guarantee a definite commitment for the first 3 years of the contract.

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 2025.

12. Prepayments

	30 June 2026 US$	31 December 2025 US$
Prepayments	24,041,190	7,705,446

During the current financial period, included in prepayments is an amount of US$16.34 million in respect of the Group's share of payments made to PT Indoturbine for the procurement of an electric motor driven compressor ("EMDC") and US$6.41 million relating to advance payments made to PT Duta Marine/PT Pakarti Tirtoagung for the Mobile Offshore Production Unit ("MOPU"), both for use in relation to the Mako gas field (2025: US$6.49 million).

Following the acquisition of Coro's 15% participating interest in the Duyung PSC, the Group also recognised the corresponding share of prepayments attributable to the acquired participating interest. The total contracted cost for the EMDC and MOPU is approximately US$17.86 million and US$7.00 million, of which the portions attributable to the other PSC partners are recognised within amounts due from PSC partners in Note 11.

13. Cash and Cash Equivalents

	30 June 2026 US$	31 December 2025 US$
Cash on hand and at bank	3,263,985	1,360,602

14. Share Capital

	30 June 2026		31 December 2025	
	No. of shares	US$	No. of shares	US$
Issued and fully paid:				
At the beginning of the period/year	193,113,866	86,852,748	179,227,712	81,254,153
Issue of ordinary shares	1,255,785	519,500	13,846,154	5,816,986
Exercise of share rights to ordinary shares (Note 15)	-	-	40,000	38,466
	194,369,651	87,372,248	193,113,866	87,109,605
Cost of issuing capital	-	-	-	(256,857)
At the end of the period/year	194,369,651	87,372,248	193,113,866	86,852,748

14(a) Profit/(Loss) Per Share

Basic profit/(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 2026	30 June 2025
Profit/(loss) attributable to the owners of the Company (US$)	8,586,456	(2,401,484)
Weighted average number of ordinary shares issued		
- Basic	193,338,489	182,036,551
- Diluted	199,502,683	182,036,551
Loss per ordinary share (US$)		
- Basic	0.04	(0.01)
- Diluted	0.04	(0.01)

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

For the financial period ended 30 June 2026, diluted earnings per share includes the impact of ordinary shares issuable under the Conrad Incentive Plan and outstanding warrants. For the financial period ended 30 June 2025, these instruments were excluded from the calculation of diluted loss per share as they were anti-dilutive.

15. 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.

15. 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.

15. 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
Prior to vesting	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.
After vesting and delivery of shares/CDIs	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.

15. Employee Benefits Reserve (cont'd)

Share rights (cont'd

x) <u>Clawback</u>

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) <u>Tax deferral under tax legislation</u>

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).

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.

15. **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:

Date of grant	Exercise price	Balance at the beginning of the financial period	Number of share rights (lapsed)/granted during the financial period	Number of share rights exercised during the financial period	Number of share rights outstanding as at the end of the financial period
25.09.2022	-	40,000	-	-	40,000

Date of grant	Exercise price	Balance at the beginning of the financial period	Number of options (lapsed)/granted during the financial period	Number of options vested during the financial period	Number of unvested options outstanding as at the end of the financial period
25.09.2022	US$0.81	533,334	-	-	533,334

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.

16. **Other Payables**

	30 June 2026 US$	31 December 2025 US$
Other payables	9,879,492	364,164
Accrued expenses	8,208,454	1,007,146
	18,087,946	1,371,310

Accrued expenses mainly comprise exploration costs relating to the appraisal wells, accruals for oil and gas assets under development, and employee severance pension obligations.

Included in other payables is US$5 million received from PT Nations Natuna Barat ("NNB"), representing the first tranche of the cash consideration receivable under the conditional sale and purchase agreement for the transfer of a 75% participating interest in the Duyung PSC. As at 30 June 2026, the transfer had not completed, as the remaining regulatory approvals and transfer steps had not been satisfied. Accordingly, the amount received has been recognised as a liability pending completion of the transaction.

17. Warrants

	30 June 2026 US$	31 December 2025 US$
Warrants, at the beginning of the period/year	55,508	582,154
Fair value change during the period/year	(55,508)	(526,646)
Warrants, at the end of the period/year	-	55,508

Following the expiry of all outstanding warrants on 14 June 2026, no warrant liability remained outstanding as at 30 June 2026. The fair value movement recognised during the current financial period reflects the remeasurement of the warrant liability up to the date of expiry.

18. 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 2026 US$	30 June 2025 US$
Compensation of key management personnel		
Directors' remuneration	240,000	240,000
Directors' fees	199,500	175,500
Staff benefits	13,011	13,038
Fees for professional services*	180,000	218,216

* 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.

19. Borrowings

	30 June 2026 US$	31 December 2025 US$
Non-current		
Borrowings	39,093,350	7,292,606

On 14 November 2025, the Group's subsidiary, West Natuna Exploration Limited, entered into a Carry Loan Agreement with NNB, under which the lender provides a loan facility to the borrower, funded through a financing facility obtained by the lender from PT. Bank Negara Indonesia (Persero) Tbk ("BNI") in relation to the Duyung PSC.

The loan bears interest at a variable rate comprising the 90-day average Secured Overnight Financing Rate ("SOFR") plus a margin of 5.25% per annum. Repayment of the loan is aligned with the repayment schedule of the underlying BNI facility obtained by the lender and may be subject to earlier repayment in certain circumstances as specified in the agreement.

The facility is supported by a parent company guarantee provided by the Company pursuant to a guarantee dated 12 January 2026. The proceeds of the facility are used in connection with the Group's participation in the Duyung PSC.

As at 30 June 2026, the borrowing is presented as a non-current liability as repayment of the facility is aligned with the repayment schedule of the underlying BNI financing facility, which extends beyond twelve months from the reporting date.

20. 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%. During the current financial period, the Group extended the lease for office premises in Singapore and Indonesia by 2 years.

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

	30 June 2026 US$	31 December 2025 US$
Leased building	342,833	103,834

(b) Amounts recognised in profit or loss

	30 June 2026 US$	30 June 2025 US$
Depreciation of right-of-use asset	104,788	100,070
Interest expense on lease liabilities (Note 5)	4,909	6,664
Total amount recognised in profit or loss	109,697	106,734

(c) Other disclosures

	30 June 2026 US$	30 June 2025 US$
Total cash outflow for leases	116,673	119,590

(d) Carrying amount of lease liabilities

	30 June 2026 US$	31 December 2025 US$
Minimum lease payments due:		
- Not later than 1 year	197,565	121,818
- Later than 1 year but within 5 years	168,234	-
	365,799	121,818
Less:		
Future finance charges	(23,037)	(2,659)
Present value of financial lease liabilities	342,762	119,159

The present value of lease liabilities is analysed as follows:

	30 June 2026 US$	31 December 2025 US$
Not later than 1 year	180,080	119,159
Later than 1 year but within 5 years	162,682	-
	342,762	119,159

21. 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:

a. Level 1: quoted prices (unadjusted) in active markets for identical assets and liabilities;
b. 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
c. Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	Level 1	Level 2	Level 3	Total
	US$	US$	US$	US$
30 June 2026				
Financial asset				
at fair value through profit or loss	25,465	-	-	25,465
31 December 2025				
Financial asset				
at fair value through profit or loss	3,008	-	-	3,008
Warrants	-	-	55,508	55,508

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 carrying amount of the Group's borrowings approximates their fair value as the borrowings bear variable market interest rates.

22. Subsequent Events

On 23 July 2026, the Company received confirmation from MEMR approving the transfer of Empyrean Energy PLC's 8.5% participating interest in the Duyung PSC to the Group's subsidiary WNEL.

On 27 August 2026, the Company received confirmation from MEMR approving the transfer of a 75% participating interest in the Duyung PSC from the Group's subsidiary WNEL to NNB, pursuant to the farm-down arrangement.

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 2026.

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 2026, 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	(Executive Chairman)
Miltiadis Xynogalas	(Executive Director)
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:

	Holdings registered in the name of director		Holdings in which a director is deemed to have an interest	
Name of Directors	At 01.01.2026	At 30.06.2026	At 01.01.2026	At 30.06.2026
		No. of ordinary shares, warrants and vested share options		
The Company				
Peter Botten	833,847	833,847	680,134	680,134
Miltiadis Xynogalas	2,090,276	1,954,892	14,400,000	14,400,000
David Johnson	1,143,379	1,143,379	693,333	693,333
Paul Bernard	1,015,426	1,200,516	6,275,650	5,632,202
Jeremy Brest	1,415,385	1,600,475	5,888,791	5,293,239
Mario Traviati	10,129,154	9,641,834	3,824,590	3,345,176

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 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:

	Number of unvested options held	
Name of Directors	At 01.01.2026	At 30.06.2026
Peter Botten	-	-
Miltiadis Xynogalas	266,667	266,667
David Johnson	266,667	266,667
Paul Bernard	-	-
Jeremy Brest	-	-
Mario Traviati	-	-

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.

4. Share Options (cont'd)

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.

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

Date of grant	Exercise price	Balance at the beginning of the financial period	Number of options (lapsed)/granted during the financial period	Number of options vested during the financial period	Number of unvested options outstanding as at the end of the financial period
25.09.2022	US$0.81	533,334	-	-	533,334

On behalf of the Board of Directors,

…………………………………………
Miltiadis Xynogalas

…………………………………………
David Antony Johnson

Singapore

11 September 2026

MOORE

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 2026 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 2026, and of its 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

Moore Stephens LLP
Public Accountants and
Chartered Accountants

Singapore

11 September 2026

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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.