

27th December 2013

MUARA ENIM PILOT WELL #2 GAS FLARE AND PERMEABILITY RESULTS

- Pilot well# 2 completed and tested across coal seams H, J, K and L
- Permeability testing has indicated a range of permeability results across these seams between 2.44 to 30.15 mD
- Gas flare and dewatering commenced on 25th December.

NuEnergy Gas Limited (ASX:NGY,) (“NuEnergy”) is pleased to announce the successful completion of its Muara Enim Pilot Well #2 permeability testing program and the commencement of gas flaring and dewatering at the Muara Enim Production Sharing Contract (PSC) Pilot Production Site in South Sumatra, Indonesia.

NuEnergy has successfully installed fishbone completions across the J coal seam and installed pre perforated casing across the H, J, K and L coal seams. Permeability was tested across all of these seams and the results, determined by the official Indonesian certifier PT Lemigas, demonstrated permeability ranging between 2.44 and 30.15 Md. The upper end of the permeability range recorded in this well is 275% greater than the permeability test result recorded in the Muara Enim PSC Pilot Well #2.

NuEnergy’s Chief Executive Officer Christopher Newport commented: *“These permeability results and gas flare provide further confidence that the project is progressing towards becoming a viable gas production site. NuEnergy is now analysing these results with a view to identifying the most gas productive coal seam to be drilled and completed horizontally at the Muara Enim PSC Pilot well #3 site which is 300 metres from Pilot Well #2.”*

Pilot Well#2 - Flare on 26th December 2013



ENDS

ABOUT NUENERGY GAS

NuEnergy is an emerging ASX listed gas and ancillary power generation development company with an immediate focus on establishing unconventional gas exploration & production in Indonesia and Eastern Africa.

The company's overall strategy is to rapidly prove up CBM and shale gas resources and bring these resources to production through small scale power generation, CNG and mini LNG and via connection to the local gas grid.

NuEnergy has secured strategically located CBM and shale gas concessions in areas where there is a significantly undersupplied gas and power market and where possible where there is abundant energy infrastructure to take gas and/or power to market. NuEnergy has three operated PSCs in Indonesia, two operated CBM & shale gas joint ventures in Tanzania, an Exclusive Prospecting Licence in Malawi for CBM and shale gas and is now exploring for CBM in Mozambique.

For further information please contact the Sydney office on:

Shareholder Enquiries

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