

12 February 2014

NuEnergy signs Letter of Intent with Strategic Asian Investor

Terms include:

- A 10% share placement at a minimum of 4 cents per share to raise minimum AU\$1.3 million; and
- A 49.9% farm-in to the Rengat Production Sharing Contract (PSC) for consideration of US\$2.7 million cash plus a six well carry commitment.

NuEnergy is pleased to announce that it has signed a Letter of Intent (LOI) with a strategic Asian investor (the “Farm-in Party”).

Under the terms of the proposed Farm-In transaction the Farm-in Party will:

- Invest in NuEnergy via a 10% share placement at a price equal to the higher of a 15% discount to the 14 day Volume Weighted Average Price (VWAP) or 4 cents per share, raising a minimum of AU\$1.3 million; and
- Pay NuEnergy US\$2.7 million in cash plus provide a full carry on 3 core and 3 pilot production wells, with the full value of the carry program being estimated at US\$10-12 million,

in return for being assigned a 49.9% participating interest in Rengat PSC located in central Sumatra, Indonesia. The proposed Farm-in Party has extensive experience in the Coal Bed Methane (CBM) service industry and with drilling and completion techniques that can significantly enhance the productivity of the CBM wells.

Other key terms of the agreement include the following rights for the Farm-In party:

- a first right of refusal to subscribe for a further 5% of the issued capital of NuEnergy upon the company achieving a minimum specified 2C resource upgrade; and
- the right to nominate one director to the Board of NuEnergy Gas Limited.

Key deliverables and time frames for completion of the agreement, as set out in the LOI, are as follows:

- Due diligence completion 15 March 2014
- Share placement agreement Finalised by 31 March 2014
- Farm-in agreement Subject to conditions precedent, finalised by 31 March 2014
- Conditions Precedent Satisfaction 31 July 2014 (subject to necessary regulatory approvals)

The total cash contribution under the proposed transaction of \$4 million (minimum) will fund the drilling of additional pilot wells in NuEnergy's South Sumatran PSCs to assist the ongoing work program to achieve commercial production.

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.

Shareholder Enquiries

NuEnergy Gas Limited

Tel: (61) 2 9199 5522

www.NuEnergygas.com

Corporate Office

Suite 2001, Level 20 Australia Square
264 George Street, SYDNEY 2000
AUSTRALIA

T: (+612) 9199 5522
F: (+612) 9247 8966
E: info@nuenergygas.com
<https://twitter.com/NuEnergyLtd>