

11 July 2014

Binding Investment Agreement with Strategic Asian Investor to fund development of the Indonesian CBM program through recapitalisation of NuEnergy

Investment Agreement with Strategic Asian Investor:

NuEnergy Gas Limited (ASX:NGY) (“NuEnergy” or “the Company”) is pleased to announce the signing of a binding Investment Agreement with New Century Energy Resources Limited (NCE). The agreement recapitalises the Company to fund the development of the Indonesian Production Sharing Contracts (PSCs).

NCE has extensive experience in the Coal Bed Methane (CBM) Exploration & Production industry, including subsurface (geological, geophysical & reservoir), well drilling, completion and production techniques that can significantly enhance the productivity of CBM wells.

Key terms of the agreement:

- Within three business days NCE will pay a deposit of \$200,000 to obtain exclusivity and commence due diligence for 30 days;
- Subject to successful completion of the due diligence by NCE, within three business days, NCE will subscribe for circa 83 million shares at 3 cents per share to raise \$2.5 million (“Share Placement”) representing 19.9% of the expanded share capital;
- Subsequent to the Share Placement, Graeme Robertson will resign as Non-Executive Chairman and remain as a non-executive director of NuEnergy. NCE will appoint three (3) directors to replace the remaining three directors of the Company; and
- Subject to completion of the Share Placement, NCE shall (A) subscribe for Shares via a share placement and/or (B) fully participate in and underwrite a rights issue in respect of Shares in NGY, for a total minimum commitment of A\$10,000,000, to be completed by 31 December 2014 at a minimum price of A\$0.03/Share subject to shareholder and regulatory approval (where necessary).

NuEnergy’s Chairman commented:

“The signing of this binding Investment Agreement is an exciting step forward for NuEnergy Gas. NCE provides strong technical capabilities and service skills for Coal Bed Methane drilling and well completion as well as having extensive operating experience in China and related business activities in Malaysia and Indonesia. I look forward to working with the new directors to successfully develop CBM in South Sumatra, build a close working relationship with our partner, PERTAMINA and oversee the recapitalisation of the group”.

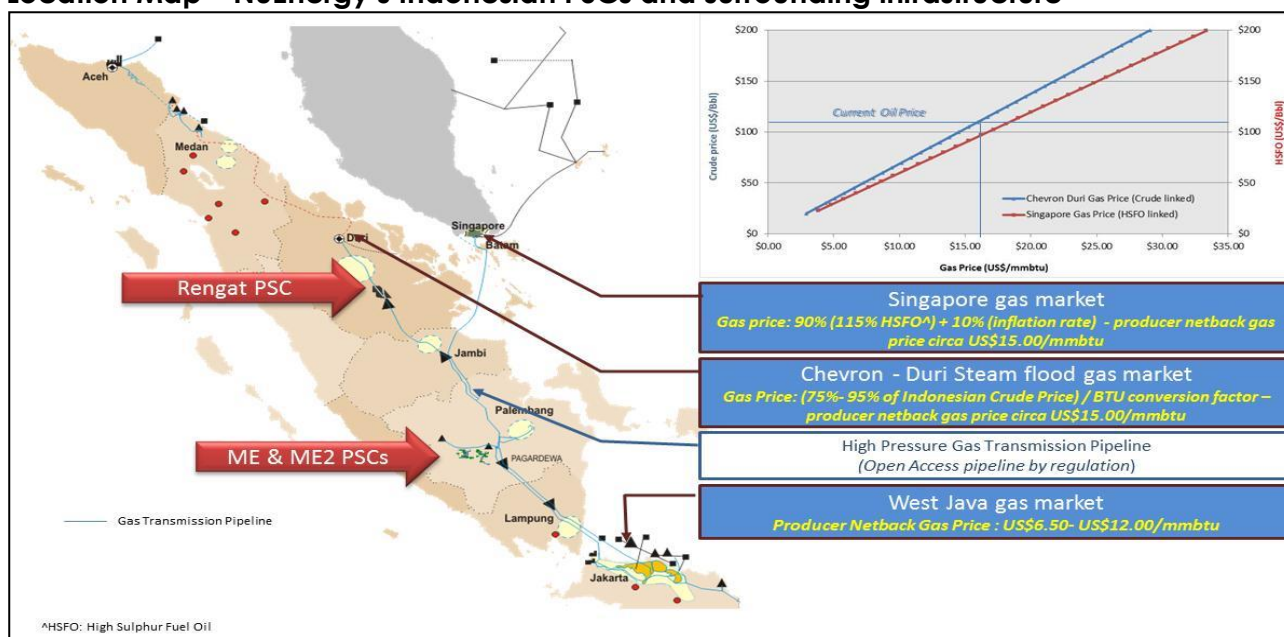
Focus on Indonesian PSCs:

As part of the recapitalisation of NuEnergy the Company intends to solely focus on its three Indonesian PSCs. NuEnergy’s core PSCs in South Sumatra will be the primary focus with the Company aiming to

drill further pilot wells at its Muara Enim PSC and commence drilling at the Muara Enim II PSC, including a focus on the western area.

The secondary focus in Indonesia will be completing a farm out transaction for the Rengat PSC focusing on drilling wells that intersect the identified 15 metre coal seam revealed after extensive geological and geophysical work completed in 2013.

Location Map – NuEnergy’s Indonesian PSCs and surrounding infrastructure



Based on the core focus on Indonesia, NuEnergy has entered agreements for the transfer of its Mozambique interests and assigned all associated rights and obligations to NuAfrica Gas Limited (a wholly owned subsidiary of NuEnergy). Intrasia Capital Pte Ltd, a Singapore-based investment company and related party of the Company’s Chairman, Graeme Robertson, will acquire the interests in NuAfrica Gas Limited. The acquisition for the interests in NuAfrica Gas Limited is based on direct and indirect exploration costs incurred in Mozambique. NuEnergy has not applied for or been granted any concessions or permits in Mozambique.

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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.

Shareholder Enquiries

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