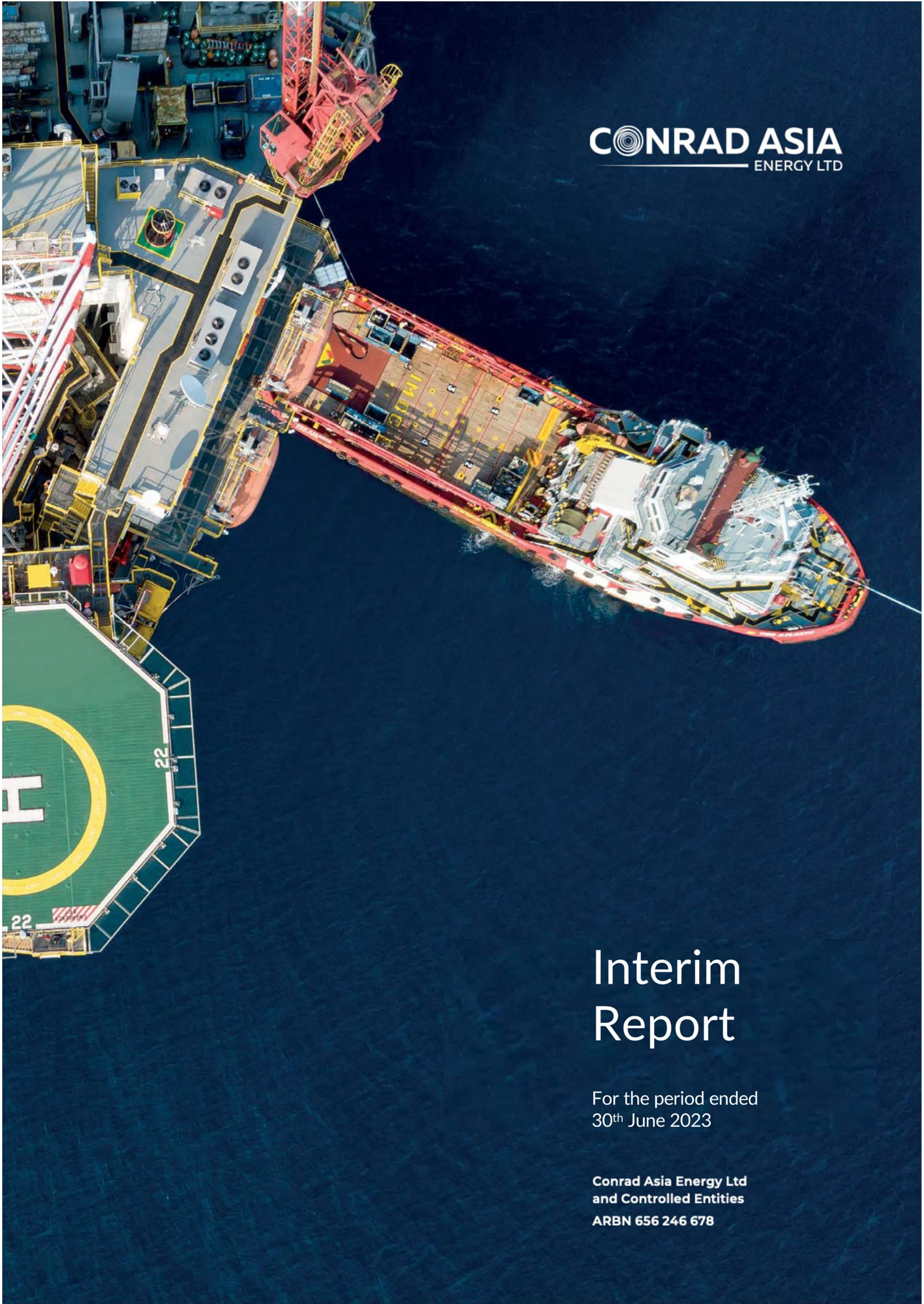

CONRAD ASIA ENERGY LTD

Interim Report

For the period ended 30th June 2023

Conrad Asia Energy Ltd and Controlled Entities

ARBN 656 246 678

Interim Financial Report for the Period Ended 30 June 2023

Table of Contents

Corporate Directory

Directors

Peter Botten	Non-Executive Chairman
Paul Bernard	Non-Executive Director
Jeremy Brest	Non-Executive Director
Mario Traviati	Non-Executive Director
Miltos Xynogalas	Managing Director
David Johnson	Executive Director

Australian Local Agent & ASX Contact

Elissa Hansen of CoSec Services Pty Ltd

Company Secretary (Singapore)

Boardroom Corporate & Advisory Services Pte Ltd.
1 Harbourfront Avenue
Keppel Bay Tower #14-07,
Singapore 098632

Head Office

South Quarter Tower A,
15th Floor, Unit H,
Jl.R.A. Kartini Kav. 8 Cliandak.
Jakarta 12430, Indonesia

Registered Office

84 Amoy Street #03-01
Singapore 069903

Share Registry

Boardroom Pty Limited
Grosvenor Place,
Level 12, 225 George Street
The Rocks NSW 2000
Australia

Australian Lawyers

Clayton Utz
Level 27, 250 St Georges Terrace, Perth WA 6000,
Australia

Auditors

Moore Stephens LLP
10 Anson Road
#29-15 International Plaza
Singapore 079903

Website

www.conradasia.com

Director's Report

Directors

Peter Botten	Non-Executive Chairman
Paul Bernard	Non-Executive Director
Jeremy Brest	Non-Executive Director
Mario Traviati	Non-Executive Director
Miltos Xynogalas	Managing Director
David Johnson	Executive Director

Principal Activities

The principal activities of Conrad Asia Energy Ltd (**ASX: CRD**) (the "**Company**" or "**Conrad**"), during the half year 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 ending 30th June CY2023.

Review Of Operations and Results

Highlights – First Half CY2023

- **Development work at Mako gas development ("Mako"), the Duyung PSC, continued to progress. Mako is the largest undeveloped and fully appraised gas field in the West Natuna Basin. Mako gas will be exported by an existing pipeline network. The development will deliver significant benefits to users. In Singapore, it will provide reliable natural gas while diversifying the country's future gas supply, with lower carbon emissions compared to LNG.**

- **Two of the three front end engineering design ("FEED") studies for the Mako project have been concluded and the third is on track for completion during the third quarter CY2023.**

- **Negotiations continued to advance on the key terms of the Mako gas sales agreement between a Singapore buyer and the Indonesian regulator (SKK Migas). Finalisation of these terms is expected in the third quarter CY2023. These commercial terms will further the development of Mako, as well as Conrad's plan to sell down some of its 76.5% participating interest in the project.**

- **Conrad has engaged a global investment bank with a proven track record in similar transactions to lead a farm-down process for the divestment of a portion of Conrad's interest in the Duyung PSC. Bids are expected to be received during 3Q CY2023.**

- **Conrad signed two new PSCs, Offshore North West Aceh (Meulaboh) ("ONWA") and Offshore South West Aceh (Singkil) ("OSWA"). The shallow-water areas of ONWA & OSWA contain several flow-tested gas discoveries.,**

- **Competent Persons Reports ("CPRs") over the ONWA and OSWA shallow-water gas discoveries were issued[1]. Three of the discoveries hold an estimated gross (100%) 2C Contingent Resource of 214 billion cubic feet ("Bcf") of sales gas (161 Bcf net attributable to Conrad)[1]. The net attributable resource is the commercial resource due to Conrad after**

[1] Conrad Asia Energy Ltd ASX announcements on 16 and 18 May 2023.

the government fiscal take. The CPRs attributed a net present value of US$88m[1] (net to Conrad) for the three accumulations. A fourth discovery has very little seismic data and has not been included in the Contingent Resource estimates at this stage.

- **Conrad continues to advance a detailed geoscientific study of both the shallow and deep-water areas of the Aceh PSCs to assess and create an inventory of leads and prospects across the area. The deeper water areas have several large structures with multi-trillion cubic feet of gas potential[1]. These structures have gas chimneys and flat spots displayed on seismic data, indicating evidence of the presence of potential hydrocarbons.**

Duyung PSC - Mako Gas Field **76.5% Participating Interest, Operator**

Conrad holds a 76.5% operated interest in the Duyung PSC via its wholly owned subsidiary, West Natuna Exploration Limited. Duyung is located in the Riau Islands Province, Indonesian waters in the West Natuna area, approximately 100 kilometres to the north of Matak Island and about 400 kilometres northeast of Singapore.

GaffneyCline Associates conducted an independent assessment of the field and estimates that Mako contains gross field 2C Contingent Resources of 413 Bcf (100%), with 215 Bcf of 2C Contingent Resources attributable to Conrad under its Participating Interest in Duyung (26 August 2022) as outlined in the Company's IPO prospectus dated 9 September 2022.

Gas sales agreement negotiations have been a focus of the Board and management of Conrad with tripartite engagements held between Conrad, a major gas buyer, and SKK Migas. The negotiation of key terms is now expected to be finalised during the Q3 CY2023. The continued GSA negotiations will allow the Company to take advantage of an improved and favourable pricing environment given strong worldwide gas demand. Discussions with an Indonesian buyer are also ongoing and depending on the availability of a physical connection to the domestic market, a portion of the gas may be sold to Indonesia or the entire quantity may be exported.

Front end engineering design ("**FEED**") studies were initiated during Q4 CY2022. Three separate FEED studies are being progressed for: the mobile offshore production unit ("**MOPU**") processing facilities; the subsea umbilicals, risers and flowlines ("**SURF**"); and, for the conductor support frame ("**CSF**"). The MOPU processing and the SURF FEEDs have been completed. The CSF FEED will conclude in Q3 CY2023. The results of this work are now being integrated and discussed with SKK Migas.

A geophysical pipeline route survey and a remote operated vehicle survey of the production manifold in the adjacent Kakap PSC (through which Conrad intends to export the Mako gas to the West Natuna Transportation System) have been completed without incident. A geotechnical survey of the MOPU location and potential well locations is scheduled over the next few months. Project optimisation discussions (e.g. precise placement of wells and facilities in light of the geophysical and geotechnical surveys) are ongoing with SKK Migas. The procurement process for all major project equipment and services contracts commenced in Q2 CY2023.

Acquisition of environmental approvals for development is ongoing. The Government of Indonesia requires environmental permits for drilling or construction activities within the country. Included within the required permits is the project Environmental Impact Assessment (termed "**AMDAL**" in Indonesia). The Mako project AMDAL has been submitted to the government for review with approval expected before the end of the year.

Updated capital and operating costs for the Mako Gas Field development project will be provided following on-going engineering work and ongoing procurement activities.

A farm-down process for the divestment of a portion of Conrad's interest in the Duyung PSC is ongoing with bids expected to be received soon. Conrad has engaged a global investment bank with a proven track record in similar transactions to lead the farm-down process.

Aceh PSCs	100% Participating Interest, Operator

ONWA and OSWA, the two Aceh PSCs awarded to Conrad in January 2023, are operated by wholly owned Conrad subsidiaries ONWA PTE Ltd and OSWA PTE Ltd. Conrad holds a 100% participating interest in each block, with each PSC having a 30-year tenure.

Competent Persons Reports ("**CPR**s") on Conrad's shallow-water areas of the two offshore Aceh PSC were completed by an independent assessor[1]. The CPRs assessed four gas discoveries, all within Upper Miocene Carbonate Reefs estimating a gross (100%) 2C Contingent Resource of 214 Bcf of sales gas (161 Bcf net attributable to Conrad) in three of the four discovered accumulations in the two PSCs[1]. The net attributable resource is the commercial resource attributable to Conrad after the government fiscal take.

The CPRs evaluated the flow tested gas discoveries in the PSCs, addressed the range of potential in-place and recoverable volumes, and examined conceptual development schemes. The CPRs ascribe a net present value ("NPV") to Conrad of US$88 million[1] of three of the discovered resources. The fourth discovery, Keudapasi, has very limited seismic data (two lines) and high volumetric uncertainty at this stage and was therefore not included in the Contingent Resources. Based on the CPR, Keudapasi has a P50 Estimated Ultimate Recovery of 30 Bcf[1].

The Contingent Resources are located in shallow waters (50-80 metres) and at shallow reservoir depths of 900-1,500 metres, in close proximity to the shoreline near potential commercialisation opportunities. The gas discoveries of almost pure methane were made in the 1970s and have all been successfully flow tested. These gas discoveries were not previously developed due to prevailing low gas prices and immature markets. The shallow water areas of ONWA and OSWA have had a historically high exploration success rate of over 30% in both PSCs. However, the success rate in the in the upper Miocene carbonate reefs, has been over 66% despite the low quality 1970s seismic data. Conrad intends to acquire 500 square kilometres of modern 3D seismic data in each PSC during 2024, seeking to delineate near field, low risk drilling opportunities as well as evaluate other new prospective targets.

The two PSCs also have deep-water potential where several large structures with multi-trillion cubic feet potential[1] have been identified. These structures have gas chimneys and flat spots displayed on seismic data, indicating evidence for the presence of hydrocarbons. Despite the numerous discoveries, the Aceh PSCs are classified as "frontier areas" and have been granted attractive fiscal terms. In-house technical studies describing the geological evolution and prospectivity of the unexplored shallow and deep-water areas of the PSCs are ongoing, with first results expected soon.

Combined with Conrad's Mako gas field in the West Natuna Sea, the two Aceh PSCs give the Company a total 2C Contingent Resource of 578 Bcf (376 Bcf net attributable to Conrad)[1] across its offshore Indonesian portfolio and represent a 75%[1] increase in net attributable resources to those reported as at 31 December 2022 in the Company's annual report.

Additionally, the Company is making preparations for an environmental baseline assessment for each PSC in anticipation of the acquisition of seismic data during 2024. Conrad continues its efforts to establish a representative office in Banda Aceh as required by the local government and has initiated a stakeholder assessment of the PSC areas.

Sustainability

Conrad had previously commissioned three studies for the Mako project namely, a climate change risk assessment a biodiversity & critical habitat risk assessment and a human rights impact assessment. The former two studies have been completed (with no significant impactful findings) and the latter study will be finalised in early 3Q CY2023. The studies aim to provide independent adjuncts to the project environmental approval process required by Indonesian regulations (described above).

Petroleum Tenement Holdings

As of 30 June 2023, Conrad's petroleum tenement holdings were:

Tenement and Location	Beneficial Interest at 31 December 2022	Beneficial Interest acquired/disposed	Beneficial Interest at 30 June 2023
Duyung PSC *West Natuna Basin, Indonesia*	76.50%	-%	76.50%
Offshore Mangkalihat PSC *Tarakan Basin, Indonesia*	100%	-%	100%
Offshore North West Aceh PSC *Offshore Aceh Province, Indonesia*	-%	100%	100%
Offshore South West Aceh PSC *Offshore Aceh Province, Indonesia*	-%	100%	100%

In the Offshore Mangkalihat PSC, Conrad have been unable to define a sufficiently economically robust / de-risked prospect that would underpin the drilling of a well. As such, a formal process for the relinquishment of the PSC was expected to commence during 3Q CY2023 with no further work obligation on the Company. The relinquishment process typically takes 6-12 months to conclude.

Summary Financial Results

The consolidated loss after income tax of the Group for the period ended 30 June CY2023 is $7,089,131 (June 2022: $4,750,314).

Total expenditure increased by 125% to $7.15m, reflecting the valuation of the warrants, non-cash employee benefits, and provision and expanded operations overall.

Due to the ongoing development work in Mako, the Company has capitalised $1.89m of the exploration and evaluation expense, which includes studies, surveys and FEED costs.

Conrad is well funded with cash of $10.77m as at 30 June 2023. Other receivables increased to $3.94m, primarily due to the Company having made payments for a performance bond and deposit of $3.00m and $0.15m, respectively, to the PSCs for ONWA and OSWA. Net cash used in operating activities totalled $6.18m for HY23, a 56% increase from the prior year HY22, largely as a result of the performance bond payment.

Changes in Capital Structure

During the period no Conrad shares were issued.

Performance Rights

During the period no Conrad performance rights were issued.

Significant Changes in State of Affairs

Other than the events noted above, there were no other significant changes in the state of affairs of the Company during the period that requires separate disclosure.

Events After the Period

Subsequent to the end of the reporting period, Conrad signed a non-binding Term Sheet with SembCorp Gas Pte Ltd. (a Singapore based major gas and generating utility) which outlines the core terms and framework as the basis for negotiating of a final binding Gas Sales Agreement. The parties to the Term Sheet have also agreed to negotiate, in good faith, a definitive Gas Sales Agreement by 31st December 2023. This date aligns with our targeted date for a Final Investment Decision for the Mako Project.

The Term Sheet and the framework of included terms have now been endorsed by the Indonesian petroleum upstream regulator (SKK Migas). The final Gas Sales Agreement will be subject to approval by the Minister of Energy and Mineral Resources, SKK Migas, any other requisite government approvals and other customary conditions precedent.

The key terms of the Term Sheet relate to the sale of Mako gas from start of production to the end of the Duyung PSC in 2037, for a total sales gas volume of 293 Tbtu (c 293 Bcf) with potential increase to 392 Tbtu (c 392 Bcf) i.e. 71% and up to 95% of the field's estimated 2C Contingent Resources of 413 Bcf (100%) as assessed by GaffneyCline Associates (26 August 2022). Gas sales will be priced against Brent oil.

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

In the Offshore Mangkalihat PSC, Conrad has been unable to define a sufficiently economically robust / de-risked prospect that would underpin the drilling of a commitment well. A formal process for the relinquishment of the PSC commenced during July CY2023 with no further work obligation on the Company. The relinquishment process typically takes 6-12 months to conclude.

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

Consolidated Statement of Profit & Loss

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE SIX-MONTH FINANCIAL PERIOD ENDED 30 JUNE 2023

	Note	Consolidated 6 months ended 30 June 2023 US$	Consolidated 6 months ended 30 June 2022 US$ (restated)
Revenue	2	-	134,579
Other income	3	8,223	6,467
Other operating expenses		(7,139,795)	(4,068,934)
Finance income	5	53,897	163
Finance expense	6	(11,456)	(822,589)
Loss before income tax	4	(7,089,131)	(4,750,314)
Income tax	7	-	-
Loss after tax representing total comprehensive loss for the financial period		(7,089,131)	(4,750,314)
Total comprehensive loss attributable to			
Equity holders of the Company		(7,089,131)	(4,750,314)
Non-controlling interest		-	-
		(7,089,131)	(4,750,314)
Loss per share			
- Basic	14(a)	(0.09) cents	(0.08) cents
- Diluted	14(a)	(0.09) cents	(0.08) cents

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

Consolidated Statement of Financial Position

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2023

	Note	30 June 2023 US$	31 December 2022 US$
ASSETS			
Non-current assets			
Plant and equipment	8	278,259	379,762
Exploration and evaluation assets	10	24,285,333	22,392,713
Other receivables	12	3,375,000	225,000
		27,938,592	22,997,475
Current assets			
Financial asset at fair value through profit or loss	11	152,946	175,739
Other receivables	12	567,362	237,627
Prepayment		198,676	177,578
Cash and cash equivalents	13	10,772,664	18,961,222
		11,691,648	19,552,166
TOTAL ASSETS		39,630,240	42,549,641
EQUITY AND LIABILITIES			
Equity and reserves			
Share capital	14	67,883,357	67,883,357
Employee benefits reserve	15	2,590,842	1,084,089
Warrants reserve		2,958,950	2,958,950
Accumulated losses		(41,631,794)	(34,542,663)
Total attributable to the owners of the Company		31,801,355	37,383,733
Non-controlling interests		-	-
		31,801,355	37,383,733
Liabilities			
Non-current liabilities			
Lease liabilities	19	44,839	144,393
		44,839	144,393
Current liabilities			
Trade and other payables	16	2,178,133	686,651
Warrants	17	5,401,847	4,129,232
Lease liabilities	19	204,066	205,632
		7,784,046	5,021,515
TOTAL EQUITY AND LIABILITIES		39,630,240	42,549,641

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

Consolidated Statement of Changes in Equity

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX-MONTH FINANCIAL PERIOD ENDED 30 JUNE 2023

	Share capital US$	Accumulated losses US$	Warrants reserve US$	Employee benefits reserve US$	Total attributable to the owners of the Company US$
Group					
Balance at 1 January 2023	67,883,357	(34,542,663)	2,958,950	1,084,089	37,383,733
Loss after tax representing total comprehensive loss for the financial period	-	(7,089,131)	-	-	(7,089,131)
Recognition of share-based payments under Conrad Incentive Plan	-	-	-	1,506,753	1,506,753
Balance at 30 June 2023	67,883,357	(41,631,794)	2,958,950	2,590,842	31,801,355
Balance at 1 January 2022	34,629,209	(16,450,937)	-	-	18,178,272
Loss after tax representing total comprehensive loss for the financial period	-	(4,750,314)	-	-	(4,750,314)
Balance at 30 June 2022	34,629,209	(21,201,251)	-	-	13,427,958

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

Consolidated Statement of Cash Flows

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE SIX-MONTH FINANCIAL PERIOD ENDED 30 JUNE 2023

	Consolidated 6 months ended 30 June 2023 US$	Consolidated 6 months ended 30 June 2022 US$
Cash Flows from Operating Activities		
Loss before income tax	(7,089,131)	(4,750,314)
Adjustments for:		
Interest income	(53,897)	(163)
Interest expense	11,456	822,589
Depreciation of plant and equipment	100,994	40,754
Fair value loss on revaluation of financial assets, at FVPL	22,793	63,330
Fair value change of warrants	1,272,615	-
Unrealised foreign exchange loss	3,665	1,586
Employee Incentive Plan expense	1,506,753	-
Operating cash flows before working capital changes	(4,224,752)	(3,822,218)
Changes in working capital:		
Increase in other receivables	(3,479,531)	(149,532)
Increase in prepayment	(21,098)	(72,042)
Increase in trade and other payables	1,492,597	88,163
Cash used in operations	(6,232,784)	(3,955,629)
Interest received	53,897	163
Net cash used in operating activities	(6,178,887)	(3,955,466)
Cash Flows from Investing Activities		
Purchase of plant and equipment	(4,129)	-
Increase in exploration and evaluation assets (Note 10)	(1,892,620)	(58,480)
Net cash used in investing activities	(1,896,749)	(58,480)
Cash Flows from Financing Activities		
Proceeds from convertible loan	-	5,000,000
Repayment of lease liabilities	(96,554)	(43,686)
Interest paid	(11,456)	(10,355)
Net cash (used in)/generated from financing activities	(108,010)	4,945,959
Net (decrease)/increase in cash and cash equivalents	(8,183,646)	932,013
Cash and cash equivalents at the beginning of the financial period	18,961,222	1,442,336
Effect of exchange rate changes on foreign currencies cash and bank balances	(4,912)	2,113
Cash and cash equivalents at the end of the financial period (Note 13)	10,772,664	2,376,462

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	(Repayment) /proceeds	Interest expense	Unrealised foreign exchange gain	Adoption of SFRS(I) 16	30 June
	US$	US$	US$	US$		US$
2023						
Lease liabilities	350,025	(108,010)	11,456	(4,566)	-	248,905
	350,025	(108,010)	11,456	(4,566)	-	248,905
2022						
Shareholders' loan	4,189,041	-	812,234	-	-	5,001,275
Convertible loan	-	5,000,000	-	-	-	5,000,000
Lease liabilities	188,433	(54,041)	10,355	(12,323)	121,385	253,809
	4,377,474	4,945,959	822,589	(12,323)	121,385	10,255,084

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 Limited. (the "Company") and its subsidiaries (the "Group") for the six-month financial period ended 30 June 2023 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 2022.

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 2023, 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>

The following standards have been issued and are relevant to the Group but not yet effective:

		Effective for annual financial periods beginning on or after
Amendments to SFRS(I) 1-1	*Amendments to SFRS(I) 1-1 Presentation of Financial Statements – Classification of Liabilities as current or non-current and Non-current Liabilities with Covenants*	1 January 2024
Amendments to SFRS(I) 16	*Amendments to SFRS(I) 16 Lease – Lease Liability in a Sale and Leaseback*	1 January 2024
Amendments to SFRS(I) 1-7 and SFRS(I) 7	*Supplier Finance Arrangements*	1 January 2024

Management expects that the adoption of the standards above will have no material impact on the financial statements in the period of initial application.

Basis of Preparation (cont'd)

(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 2022.

(b) Accounting Policies

The accounting policies were consistent with those disclosed in the Group's audited consolidated financial statements for the financial year ended 31 December 2022.

2. Revenue

Revenue represents service income recognised at a point in time and derived mainly from Indonesia.

	30 June 2023 US$	30 June 2022 US$
Consultancy services rendered	-	134,579

3. Other Income

	30 June 2023 US$	30 June 2022 US$
Government grants	6,736	6,467
Others	1,487	-
	8,223	6,467

4. Loss before Income Tax

	30 June 2023 US$	30 June 2022 US$
Depreciation of plant and equipment	100,994	40,754
Computer expense/IT equipment	114,879	94,351
Insurance	67,645	25,927
Foreign exchange (gain)/loss, net	(2,969)	6,931
Legal and professional fees	437,276	298,651
General expenses	56,599	34,681
IPO listing costs	14,627	663,903
New venture costs	16,201	171,279
Commission fee	-	66,952
Staff costs:		
- Director's remuneration	240,000	291,600
- Director's fee	175,500	101,250
- Fees for professional services	326,216	434,665
- Contract labour	140,829	-
- Staff salaries	1,487,075	1,445,092
- Staff benefit	12,491	8,750
Accrued pension and severance allowance	656,924	-
Travelling	110,912	88,977
Employee Incentive Plan expense	1,506,753	-
Fair value loss on revaluation of financial assets, at FVPL	22,793	63,330
Fair value change of warrants	1,272,615	-

5. Finance Income

	30 June 2023 US$	30 June 2022 US$
Interest income from cash and cash equivalents	53,897	163

6. Finance Expense

	30 June 2023 US$	30 June 2022 US$
Interest expense		
- Shareholders' loan	-	247,945
- Warrants	-	564,289
- Lease liabilities	11,456	10,355
	11,456	822,589

7. Income Tax

	30 June 2023 US$	30 June 2022 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 loss before taxation due to the following factors:

	30 June 2023 US$	30 June 2022 US$
Loss before income tax	(7,089,131)	(4,750,314)
Tax calculated at 17%	(1,205,152)	(807,553)
Tax effects of:		
- Expenses not deductible	746,457	181,547
- Deferred tax assets not recognised	458,695	626,006
	-	-

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$47,000,000 (30 June 2022: US$38,000,000) at the reporting date which can be carried forward and used to offset against future taxable income subject to meeting certain statutory requirements. The tax losses have no expiry date.

Income Tax (cont'd)

Deferred tax assets not recognised.

The components of deferred tax assets not recognised are as follows:

	30 June 2023 US$	30 June 2022 US$
Unutilised tax losses (approximate to nearest million)	8,500,000	6,500,000

8. Plant and Equipment

	Computers US$	Office renovation US$	Furniture and fittings US$	Office equipment US$	Leased building US$	Total US$
2023						
Cost						
Balance at 1 January	134,568	16,132	97,279	4,036	612,592	864,607
Additions	-	-	4,129	-	-	4,129
Lease modification	-	-	-	-	(36,311)	(36,311)
Balance at 30 June	134,568	16,132	101,408	4,036	576,281	832,425
Accumulated depreciation						
Balance at 1 January	94,681	11,464	86,978	605	291,117	484,845
Depreciation	1,131	903	6,303	660	91,997	100,994
Lease modification	-	-	-	-	(31,673)	(31,673)
Balance at 30 June	95,812	12,367	93,281	1,265	351,441	554,166
Net book value						
At 30 June	38,756	3,765	8,127	2,771	224,840	278,259
2022						
Cost						
Balance at 1 January	91,181	10,710	85,270	79	316,828	504,068
Additions	43,387	5,422	12,009	3,957	295,764	360,539
Balance at 31 December	134,568	16,132	97,279	4,036	612,592	864,607
Accumulated depreciation						
Balance at 1 January	88,111	10,710	85,270	79	154,448	338,618
Depreciation	6,570	754	1,708	526	136,669	146,227
Balance at 31 December	94,681	11,464	86,978	605	291,117	484,845
Net book value						
At 31 December	39,887	4,668	10,301	3,431	321,475	379,762

9. Investments in Subsidiaries

	Company 30 June 2023 US$	Company 31 December 2022 US$
Unquoted equity investments, at cost		
Balance at the beginning of the period/year	17,573	17,691
Additions during the period/year	-	2
Write off of a subsidiary	-	(120)
Balance at the 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 June 2023 %	Effective equity interest 31 December 2022 %
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

Reviewed by Moore Stephens LLP.

10. Exploration and Evaluation Assets

	30 June 2023 US$	31 December 2022 US$
Balance at the beginning of the financial period/year	22,392,713	24,421,450
Additions during the period/year	1,892,620	360,481
Exploration and evaluation assets written off	-	(2,389,218)
Balance at the end of the financial period/year	24,285,333	22,392,713

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

	30 June 2023 US$	31 December 2022 US$
Cash	1,892,620	360,481

In the previous financial year ended 31 December 2022, the Group recognised the write-off of exploration and evaluation assets of US$2,389,218 as the directors of the Company are of the opinion that the assets are not recoverable.

11. Financial Asset at Fair Value through Profit or Loss

	30 June 2023 US$	31 December 2022 US$
Investment in quoted shares	152,946	175,739

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

	30 June 2023 US$	31 December 2022 US$
At the beginning of the financial period/year	175,739	237,202
Fair value loss	(22,793)	(61,463)
At the end of the financial period/year	152,946	175,739

Financial Asset at Fair Value through Profit or Loss (cont'd)

Investment in quoted shares pertains to the share consideration received from the disposal of a production sharing contract interest in a subsidiary, West Natuna Exploration Limited. 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 designated to be 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.

12. Other Receivables

	30 June 2023 US$	31 December 2022 US$
Other receivables and deposits:		
Production Sharing Contract partners (a)	502,924	184,016
Deposits (b)	418,792	266,573
Performance bond (c)	3,000,000	-
Other receivables	20,646	12,038
	3,942,362	462,627
Non-current	3,375,000	225,000
Current	567,362	237,627
	3,942,362	462,627

(a) West Natuna Exploration Limited, Coro Energy Duyung (Singapore) Pte. Ltd. and Empyrean Energy PLC own 76.5%, 15% and 8.5% interest in the Production Sharing Contract respectively. The amount pertains to the 100% operating cost that is charged back to the two partners, Coro Energy Duyung (Singapore) Pte. Ltd. and Empyrean Energy PLC in the Production Sharing Contract Scheme.

(b) The amount mainly pertains to the working advance placed as a deposit to SKK Migas and 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 2022.

13. Cash and Cash Equivalents

	30 June 2023 US$	31 December 2022 US$
Cash on hand and at bank	10,772,664	18,961,222

14. Share Capital

	30 June 2023		31 December 2022	
	No. of shares	US$	No. of shares	US$
Issued and fully paid:				
At the beginning of the period	159,398,990	67,883,357	15,302,901	34,629,209
Effect of share split*	-	-	107,120,307	-
Issue of ordinary shares	-	-	30,821,919	28,664,385
Conversion of equity loan into ordinary shares	-	-	6,153,863	5,917,881
	-	-	36,975,782	34,582,266
Costs of issuing capital	-	-	-	(1,328,118)
At the end of the period	159,398,990	67,883,357	159,398,990	67,883,357

* On 8 April 2022, the Company sub-divided all the ordinary shares in the capital of the Company comprising 15,302,901 shares, on the basis of one (1) ordinary share for eight (8) ordinary shares into 122,423,208 new ordinary shares.

14(a) Loss Per Share

Basic 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 2023	30 June 2022
Loss attributable to the owners of the Company (US$)	(7,089,131)	(4,750,314)
Weighted average number of ordinary shares issued		
- Basic	79,044,431	60,708,495
- Diluted	81,982,391	60,708,495

14(a) Loss Per Share (cont'd)

	30 June 2023	30 June 2022
Loss per ordinary share (US$ cents)		
- Basic	(0.09)	(0.08)
- Diluted	(0.09)	(0.08)

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

As at 30 June 2023, the diluted loss per share includes the effect of unissued ordinary shares granted under the Conrad Incentive Plan due to the vesting conditions are likely to be met (30 June 2022: Nil). The effect of the inclusion is dilutive. The diluted loss per share does not include the effect of warrants as the effect of the inclusion is 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.

In the previous financial year ended 31 December 2022, the Group granted 3,844,616 share rights and 2,080,000 options to key management personnel and employees.

In the current financial period, an employee resigned and 240,000 share rights granted had lapsed.

Share Rights

Vesting conditions of share rights are not the same, depending on the recipient. There are four (4) 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.

The share rights will lapse and expire if the vesting conditions are not met.

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)

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 options granted/ (expired) during the financial period	Number of share rights exercised during the financial period	Number of share rights granted as at the end of the financial period
25 September 2022	-	3,844,616	-	-	3,844,616

Date of grant	Exercise price	Balance at the beginning of the financial period	Number of options granted/ (expired) during the financial period	Number of options exercised during the financial period	Number of options granted as at the end of the financial period
25 September 2022	U$0.81	2,080,000	-	-	2,080,000

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 was based on the share price of the Company of US$0.96 given that the Company's shares are publicly traded on the ASX.

The fair value of the share rights and options granted to employees is deemed to represent the value of the employee services received over the vesting period.

16. Trade and Other Payables

	30 June 2023 US$	31 December 2022 US$
Trade payables		
- third parties	1,103,652	189,703
Other payables	174,733	175,043
Accrued expenses (a)	899,748	321,905
	2,178,133	686,651

(a) Accrued expenses mainly comprise the exploration cost for the appraisal wells and employee severance pension funds. Accrued income pertains to the working advance placed as a deposit by SDA Mangkalihat Pte. Ltd. and Samudra Energy Mangkalihat Limited (ex-operator) of Offshore Mangkalihat to SKK Migas and will be recognised as income when the deposit is refunded upon the termination of the contract. According to the contract, the Group does not need to repay the working advance to SDA Mangkalihat Pte. Ltd. and Samudra Energy Mangkalihat Limited (ex-operator) of Offshore Mangkalihat.

17. Amount due to Shareholders and Warrants

	30 June 2023 US$	31 December 2022 US$
Current		
Shareholders' loan	-	5,000,000
Add: interest expense	-	878,816
Less: repayment made to shareholders	-	(5,878,816)
	-	-
Warrants, at the beginning of the period/year	4,129,232	3,553,847
Fair value change during the period/year	1,272,615	575,385
Warrants, at the end of the period/year	5,401,847	4,129,232

Shareholders' loan was non-trade in nature, unsecured and carried fixed interest at 10% per annum. The shareholders' loan was fully repaid in the previous financial year ended 31 December 2022.

17 Amount due to Shareholders and Warrants (cont'd)

In relation to the shareholders' loan, the Company issued 6,769,232 warrants (sub-divided from 846,154 warrants on the basis of one (1) warrant for eight (8) warrants) to its shareholders to be exercisable any time within the five-year period from the date of issue in June 2021. The cost of debt relating to the warrants is amortised over the term of the shareholders' loan of 18 months which was extended by 6 months in the current financial period (from 12 months to 18 months).

The fair value of the warrants has been derived using the Binomial valuation model and is classified under Level 3 of the fair value hierarchy as at 30 June 2023. The key inputs applied in the estimation of warrants is volatility, risk-free rate of return and binomial steps.

Valuation technique used to derive Level 3 fair value

The following table shows the information about fair value measurements using significant unobservable inputs (Level 3) as at 30 June 2023:

Description	Fair value as at 30 June 2023 US$	Valuation technique	Unobservable inputs	Inputs
Warrants	5,401,847	Binomial valuation model	Volatility	101.50%
			Risk free rate of return	4.03%
			Number of binomial steps	60 steps

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 2023 US$	30 June 2022 US$
Compensation of key management personnel		
Directors' remuneration	240,000	291,600
Directors' fee	175,500	101,250
Staff benefit	12,491	8,750
Fees for professional services*	326,216	434,665

* 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. 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 8). The effective interest rate used is between 5.25% and 10.03%.

Extension option

The office premises include term extension options as per below of which the Group has the rights and expects to exercise this option.

The lease of South Quarter Tower A (Unit H) includes a term extension option for 3 years till 2024.

The lease of South Quarter Tower A (Unit A) includes a term extension option for 1 year till 2025.

Accordingly, lease payments in the extension period have been capitalised in the Group's right-of-use asset and lease liabilities.

19 Lease Liabilities (cont'd)

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

	30 June 2023 US$	31 December 2022 US$
Leased building	224,840	321,475

(b) Amounts recognised in profit or loss

	30 June 2023 US$	30 June 2022 US$
Depreciation of right-of-use asset	91,997	39,493
Interest expense on lease liabilities (Note 6)	11,456	10,355
Total amount recognised in profit or loss	103,453	49,848

(c) Other disclosures

	30 June 2023 US$	30 June 2022 US$
Total cash outflow for leases	108,010	54,041

(d) Carrying amount of lease liabilities

	30 June 2023 US$	31 December 2022 US$
Minimum lease payments due:		
- Not later than 1 year	216,091	225,034
- Later than 1 year but within 5 years	45,932	149,071
	262,023	374,105
Less:		
Future finance charges	(13,118)	(24,080)
Present value of financial lease liabilities	248,905	350,025

19 Lease Liabilities (cont'd)

The present value of lease liabilities is analysed as follows:

	30 June 2023 US$	31 December 2022 US$
Not later than 1 year	204,066	205,632
Later than 1 year but within 5 years	44,839	144,393
	248,905	350,025

20. 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 US$	Level 2 US$	Level 3 US$	Total US$
30 June 2023				
Financial asset				
at fair value through profit or loss	152,946	-	-	152,946
Warrants	-	-	5,401,847	5,401,847
31 December 2022				
Financial asset				
at fair value through profit or loss	175,739	-	-	175,739
Warrants	-	-	4,129,232	4,129,232

20 Fair Value Measurements (cont'd)

The table below sets out information about significant unobservable inputs used as at 30 June 2023 measuring financial instruments categorised as Level 3 in the fair value hierarchy.

Description	Valuation technique	Significant unobservable inputs	Relationship of unobservable inputs to fair values
Warrants	Binomial valuation model	Volatility	The higher the volatility, the lower the fair value
		Risk-free rate of return	The higher the risk-free rate of return, the lower the fair value

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 from Level 1 to Level 3 during the financial period.

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 fair value of the warrants is determined with reference to the Binomial valuation model and included in Level 3 of the fair value hierarchy.

21. Comparative Figure

To conform with current period's presentation of the condensed consolidated statement of comprehensive income, comparative figure below has been reclassified:

	As previously reported 6 months ended 30 June 2022 US$	Reclassification 6 months ended 30 June 2022 US$	As restated 6 months ended 30 June 2022 US$
Cost of services	(809,271)	809,271	-
Other operating expenses	(3,259,663)	(809,271)	(4,068,934)

There is no impact to the results after tax of the condensed consolidated statement of comprehensive income for the six-month period ended 30 June 2022.

22. Subsequent Events

Subsequent to the end of the reporting period, Conrad signed a non-binding Term Sheet with Sembcorp Gas Pte. Ltd. (a Singapore based major gas and generating utility) which outlines the core terms and framework as the basis for negotiating of a final binding Gas Sales Agreement. The parties to this Term Sheet have also agreed to negotiate, in good faith, a definitive Gas Sales Agreement by 31st December 2023. This date aligns with our targeted date for a Final Investment Decision for the Mako Project.

The Term Sheet and framework of included terms have now been endorsed by the Indonesian petroleum upstream regulator (SKK Migas). The final Gas Sales Agreement will be subject to approval by the Minister of Energy and Mineral resources, SKK Migas, any other requisite government approvals and other customary conditions precedent.

The key terms of the Term Sheet relate to the sale of Mako gas from start of production to the end of the Duyung PSC in 2037, for a total sales gas volume of 293 Tbtu (c 293 Bcf) with potential increase to 392 Tbtu (c 392 Bcf) i.e. 71% and up to 95% of the field's estimated 2C Contingent Resources of 413 Bcf (100%) as assessed by GaffneyCline Associates (26 August 2022). Gas sales will be priced against Brent oil.

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

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 2023.

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 2023, 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 Robert Botten	(Non-Executive Chairman)
Miltiadis Xynogalas	(Managing Director and CEO)
David Antony Johnson	(Executive Director and COO)
Paul Daniel Bernard	(Non-Executive Director)
Jeremy Leonard Brest	(Non-Executive Director)
Mario Domenic 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 Singapore Companies Act 1967, the following directors who held office at the end of the financial period were interested in shares and warrants of the Company as follows:

Name of Directors	Holdings registered in the name of director At 01.01.2023	At 30.06.2023	Holdings in which a director is deemed to have an interest At 01.01.2023	At 30.06.2023
		No. of ordinary shares and warrants		
The Company				
Miltiadis Xynogalas	1,057,672	1,057,672	14,400,000	14,400,000
Mario Domenic Traviati	9,300,656	9,300,656	3,119,235	3,119,235
David Antony Johnson	1,081,840	1,081,840	-	-
Paul Daniel Bernard	-	-	5,044,072	5,044,072
Jeremy Leonard Brest	-	-	4,975,736	4,975,736
Peter Robert Botten	-	-	870,095	870,095

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 Rights and 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 Group granted 3,844,616 share rights and 2,080,000 options to key management personnel and employees in the previous financial year.

In the current financial period, an employee resigned and 240,000 share rights granted had lapsed.

4 Share Rights and Options (cont'd)

The information on the directors of the Company participating in the Incentive Plan is as follows:

Name of Director	Number of share rights held at the end of the financial period	Number of options held at the end of the financial period
Miltiadis Xynogalas	160,000	400,000
Mario Domenic Traviati	476,920	320,000
David Antony Johnson	560,000	400,000
Paul Daniel Bernard	663,848	320,000
Jeremy Leonard Brest	663,848	320,000
Peter Robert Botten	480,000	480,000

Share rights

Vesting conditions of share rights are not the same, depending on the recipient. There are four (4) 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.

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.

The share rights will lapse and expire if the vesting conditions are not met.

4 Share Rights and Options (cont'd)

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.

4 Share Rights and 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 options granted/ (expired) during the financial period	Number of share rights exercised during the financial period	Number of share rights granted as at the end of the financial period
25 September 2022	-	3,844,616	-	-	3,844,616

Date of grant	Exercise price	Balance at the beginning of the financial period	Number of options granted/ (expired) during the financial period	Number of options exercised during the financial period	Number of options granted as at the end of the financial period
25 September 2022	U$0.81	2,080,000	-	-	2,080,000

On behalf of the Board Directors,

Miltiadis Xynogalas

David Antony Johnson

Singapore
12 September 2023

Independent Auditor' Review Report

DocuSign Envelope ID: 192042A1-7E37-4568-B39B-81D64D1DC6B5

MOORE

MOORE STEPHENS LLP

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 2023 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, and a summary of significant accounting policies 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 2023, and of the 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*.

DocuSigned by:
Moore Stephens LLP

Moore Stephens LLP
Public Accountants and
Chartered Accountants

Singapore
12 September 2023

6