

Interim Report

2024

For the period ended
30th June 2024

Interim Financial Report for the Period Ended 30 June 2024

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Corporate Directory

Directors

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

Australian Local Agent & ASX Contact

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Directors' Report

Directors

Peter Botten	Non-Executive Chairman
Miltos Xynogalas	Managing Director
David Johnson	Executive Director
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 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 30 June 2024.

Highlights – First Half 2024

Review Of Operations and Results

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-month period ending 30 June 2024 (“**Interim**”, “**Reporting Period**” or “**First Half**”).

- **Considerable progress has been made in maturing the Mako project in the Duyung production sharing contract (“PSC”) during the First Half of 2024, with key developments including:**
 - **Conrad advanced the procurement of all major contracts and services with this process ongoing and expected to conclude in the coming months. Inflationary pressures that have been prevalent in the industry, especially through the COVID period have eased somewhat, with reductions in rig rates and supply lead times¹.**
 - **The Minister of Energy and Natural Resources approved the Mako export and domestic gas price and volume allocation (“Allocation Letter”)².**
 - **On 21 June 2024, Conrad and PT Perusahaan Gas Negara Tok (“PGN”) entered into a binding gas sales agreement (“GSA”) for the domestic portion of the gas produced from the Mako field required as the Domestic Market Obligation (“DMO”) under the Duyung PSC as set out in the Mako revised Plan of Development (“POD”). Delivery of gas under this GSA is subject to the buyer’s construction of a pipeline connecting the West Natuna Transportation System (“WNTS”) with the domestic gas market in Batam. To date, this project has not been approved by the buyer.**

¹ ASX Announcement 13 June 2024.

² ASX Announcement 23 February 2024.

- The total contracted gas volume under the PGN GSA is up to 124 billion standard cubic feet (“Bcf”) with an estimated plateau sales gas rate of 35 million standard cubic feet / day (“mmscfd”). The terms of the GSA are and will remain confidential.
- The remainder of the Mako sales gas volume is targeted to be sold to a Singapore utility³. Conrad is working towards finalising a GSA for the Mako export gas over the coming weeks.
- These agreements represent important steps towards the Mako development final investment decision (“FID”) targeted for 2024 year-end. Production start-up is targeted for end 2026, or earlier if possible.
- Technical and commercial work continued for the West Natuna Transportation System (“WNTS”) Joint Venture and with the support of SKK Migas, to negotiate the commercial and legal terms for access to the WNTS for the transportation of the Mako gas to Singapore.
- The Duyung farm down is progressing with the Company engaged in confidential discussions.
- Indicative proposals have been received from several potential financial institutions to help fund Conrad’s debt funding of Mako project costs.
- Key developments in the Offshore North West Aceh (“ONWA”) and Offshore South West Aceh (“OSWA”) PSCs include:
 - Reprocessing of existing ONWA and OSWA 2D seismic data within the PSCs is ongoing. In addition, planning continues for the acquisition of up to 500 km² of modern 3D seismic data in each PSC later in 2024, seeking to delineate near-field, low-risk drilling opportunities in the shallow-water areas, as well as continuing to evaluate the deep-water prospective targets (lead inventory of c. 11 trillion cubic feet (“Tcf”) of recoverable gas, P50, net attributable to Conrad)⁴. The appropriate environmental permitting for seismic acquisition will commence during Q2 2024.
 - Geological fieldwork has concluded. The work was carried out in adjacent onshore areas with Conrad undertaking petrographic and geochemical analyses of available cuttings and core samples from wells drilled in the PSCs. Analysis has commenced of the data gathered during the fieldwork.
 - A memorandum of understanding (“MOU”) has been signed with PGN to cooperate in the provision of gas or LNG supply and development infrastructure for gas resources from its ONWA and OSWA PSCs⁵. Under the MOU, the parties will undertake a joint study to examine commercialisation options of the discovered gas resources in the two PSCs and will seek to cooperate in the development and maintenance of possible LNG infrastructure and sales of the LNG.
 - Conrad has been approached by potential farm-in partners seeking impactful gas exploration opportunities attracted by recent multi-Tcf discoveries made elsewhere in offshore Aceh. A formal farm-down process for the sales of some of Conrad’s participating interest in the ONWA and OSWA PSCs is now being considered.
- In January 2024, Conrad launched a placement of CDIs over fully paid ordinary shares in the Company raising a total of A\$13 million (before costs) from new and existing institutional professional and sophisticated investors, with approximately 13.7 million new CDIs issued at A\$0.95 per CDI utilising the Company’s placement capacity under ASX Listing Rule 7.1.
- In addition to the placement, in February 2024, Conrad offered a non-underwritten security purchase plan (“SPP”) to existing eligible securityholders to raise approximately A\$2 million, with the SPP and a SPP Shortfall Placement raising an additional A\$2.85 million (before costs).

³ Conrad Quarterly Activities Report for the Period Ending 30 September 2023, issued 27 October 2023.

⁴ ASX Announcement 16 November 2023.

⁵ ASX Announcement 1 March 2024.

- Proceeds raised from the placement and SPP will be used to support Aceh exploration studies and seismic data, general project costs and working capital.

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 km to the north of Matak Island and about 400 km northeast of Singapore.

The PSC holds the Mako field which contains 2C Contingent Resources (100%) of 376 Bcf, (of which 187 Bcf are net attributable to Conrad⁶) and is scheduled to begin production in late 2026. The West Natuna Sea has been supplying Singapore with natural gas for more than two decades and Mako is expected to extend this supply for at least another decade.

Procurement of all major contracts and services is ongoing and is expected to conclude in the coming months with several tender closing dates having been extended at the request of potential contract bidders. All cost estimates will be further updated (to a $\pm 10\%$ accuracy) once the procurement process has been completed.

On 23 February 2024, Conrad announced that the Minister of Energy and Natural Resources of Indonesia approved the Allocation Letter which sets out the Mako export and domestic gas price and gas allocation⁷.

Production sharing upstream participants in Indonesia are subject to a DMO requirement for any produced gas as set out under the terms of each PSC, and Government of Indonesia Regulation No. 35 of 2004 on Upstream Oil and Gas Activity, as amended from time to time (GR 35/2004). The Contractor has no obligation to construct infrastructure (e.g. pipelines) to allow the delivery of any DMO.

In line with its DMO as required in the POD and set out in the Allocation Letter, Conrad signed a GSA for the sales of the domestic portion of Mako gas to PGN. The total contracted gas volume under the PGN GSA is up to 124 Bcf with an estimated plateau sales gas rates of 35 mmscfd. Any DMO gas not sold under this arrangement will be available for Conrad to sell to third parties. The terms of the PGN GSA are confidential.

As previously announced (Q3 2023)⁸, the Company signed a non-binding Term Sheet with Sembcorp, a major Singapore energy company, which outlines the key terms and serves as the basis for negotiating a definitive GSA for Mako gas to be exported from Indonesia to Singapore. Detailed and substantive GSA negotiations continue with the Sembcorp. These negotiations are at an advanced stage. Conrad will keep the market informed on the progress of this GSA in line with its ASX obligations.

Technical and commercial work continued for the WNTS Joint Venture and with the support of SKK Migas to negotiate the commercial terms and legal framework for access to the WNTS for the transportation of the Mako gas to Singapore.

Discussions for a Duyung farm down are progressing. The Company is currently engaged in confidential discussions.

Conrad appointed a financial advisor, Capital Partners Group Pte Ltd, to assist with the debt funding portion of its share of the Mako project capital costs. Debt provider selection is continuing.

The Mako development FID targeted for end 2024. Production start-up remains targeted for late 2026, or earlier if practicable.

⁶ Conrad Annual Report 2024, issued at 28 March 2024.

⁷ ASX Announcement 23 February 2024.

⁸ Conrad Quarterly Activities Report for the Period Ending 30 September 2023, issued 27 October 2023.

Aceh PSCs

100% Participating Interest, Operator

Conrad holds a 100% operated interest in both the ONWA and OSWA PSCs. The two PSCs were awarded to Conrad in January 2023. The blocks together cover approximately 20,000 sq km with each PSC having a 30-year tenure from 5th January 2023.

Conrad completed independent competent person's reports ("**CPRs**") covering the discovered biogenic gas resources in the shallow-water areas of the Aceh PSCs. The CPRs estimate a gross (100%) 2C Contingent Resource of 214 Bcf of sales gas (161 Bcf net attributable to Conrad) in three of the four discovered gas accumulations in the two PSCs⁹. The net attributable resource is the commercial resource attributable to Conrad after the government fiscal take. The CPRs for ONWA¹⁰ and OSWA¹¹ were prepared by THREE60 Energy and ascribed an NPV of US\$88 million net attributable to Conrad to the Aceh PSCs. Conrad has continued to identify and evaluate commercialisation options for the discovered gas resources.

As previously announced by the Company, the two Aceh PSCs also have deep-water potential where several large structures each with multi-Tcf potential have been identified¹². Prospective Resources in the Aceh PSCs are in excess of 15 Tcf of recoverable gas (P50, 100%) of which c 11 Tcf (P50) are net attributable¹³ to Conrad¹⁴. Seismic studies of these structures show gas chimneys and flat spots, providing direct indications for the presence of hydrocarbons.

The Company has concluded a programme to acquire additional data from geological fieldwork carried out in adjacent onshore areas, and from petrographic and geochemical analyses of available cuttings and core samples from wells drilled in the PSCs. Analysis has commenced of the data gathered during the fieldwork.

Planning continues for the acquisition of up to 500 sq km of modern 3D seismic data in each PSC, seeking to delineate near field, low-risk drilling opportunities in the shallow-water areas as well as continuing to evaluate the deep-water prospective targets with a view to attract partners into this project area. The environmental permits for the seismic acquisition are expected in 4Q 2024, based on our current timetable.

On 29 February 2024, Conrad entered into a MOU with PGN to cooperate in the provision of gas or LNG supply and development infrastructure for gas resources from its ONWA and OSWA PSCs. Under the MOU, the parties will undertake a joint study to examine commercialisation options of the discovered gas resources in the two PSCs. The parties will seek to cooperate in the development and maintenance of possible LNG infrastructure and sales of the LNG. Notably, the MOU will explore a broader cooperation between the two parties.

The MOU is an important step towards the commercialisation of the discovered resources in the two PSCs and may become a key component of any future PODs.

Conrad has been approached by potential farm-in partners seeking impactful gas exploration opportunities given recent multi-Tcf discoveries made elsewhere in offshore Aceh. A formal farm-down process for the sales of some of Conrad's participating interest in the two PSCs is now being considered.

Sustainability

The Government of Indonesia requires environmental permits, including an environmental impact assessment ("**AMDAL**") for drilling and construction activities within the country. On 22 January 2024, the Minister of Environment and Forestry approved the Mako AMDAL that permits future project operations offshore.

⁹ ASX Announcements 16 and 18 May 2023.

¹⁰ Executive Summary Competent Person's Report – Meulaboh Discovery, May 15, 2023, THREE60SUBS/INTER/02/2023-010A

¹¹ Executive Summary Competent Person's Report – Singkil Discovery, May 15, 2023, THREE60SUBS/INTER/02/2023-010B

¹² ASX Announcement 16 November 2023.

¹³ Net attributable assumes 72% contactor take for gas as set out in the ONWA PSC Agreement. No transfer of 10% participating interest to Local Government Operating Company assumed.

¹⁴ ASX Announcement 16 November 2023.

An independent third-party project health, safety, security and environmental review for the Mako project, in support of FID, is expected to conclude in Q3 2024.

Mandatory environmental baseline assessments have been prepared for the ONWA & OSWA PSCs and submitted to the regulator for approval.

The necessary environmental permitting for seismic acquisition in ONWA and OSWA is underway.

Petroleum Tenement Holdings

As of 30 June 2024, Conrad's petroleum tenement holdings were:

Tenement and Location	Beneficial Interest at 31 December 2023	Beneficial Interest acquired/disposed during 2024	Beneficial Interest at 30 June 2024
Duyung PSC <i>West Natuna Basin, Indonesia</i>	76.5%	-%	76.5%
Offshore Mangkalihat PSC <i>Tarakan Basin, Indonesia</i>	100%	-% ¹⁵	100% ¹⁵
Offshore North West Aceh PSC <i>Offshore Aceh Province, Indonesia</i>	-%	100%	100%
Offshore South West Aceh PSC <i>Offshore Aceh Province, Indonesia</i>	-%	100%	100%

Summary Financial Results

The consolidated loss after income tax of the Group for the six months ended 30 June 2024 is \$3,496,549 (June 2023: \$7,089,232).

Operating expenditure decreased by 50% to \$3.57m, reflecting significant reductions in the following expenditure:

- Legal and professional fees (28.3%)
- Capitalisation of project staff costs (31.2%)
- Pension allowance (99.6%) – significant one-off expense in HY23
- Employee Incentive Plan expense (79.5%) – significant one-off expense in HY23

Due to the ongoing development work in Mako, the Company has capitalised \$1.00m of the exploration and evaluation expense, which includes studies, surveys and FEED costs.

The company also recognised a \$798k gain on the revaluation of the warrants on issue.

Conrad is well funded with cash of \$8.86m as at 30 June 2024. Net cash used in operating activities totalled \$3.59m for HY24, a 42% decrease from HY23, reflecting the similar decline in total expenditure across the group.

¹⁵ Conrad has been unable to define any sufficiently economically robust / de-risked prospect in the Offshore Mangkalihat PSC that would underpin the drilling of a commitment well. As previously reported, a formal process for the relinquishment of the PSC commenced during Q3 2023 with no further work obligation from the Company.

Changes in Capital Structure during the Period to 30 June 2024

Chess Depositary Interests ("CDIs")

During the period, the Company raised A\$13 million (before costs) through a placement, issuing 13,684,211 CDIs over fully paid ordinary shares in the capital of the Company at an issue price of A\$0.95 per CDI to new and existing institutional and sophisticated investors.

The Company raised a further A\$2.85 million (before costs) through an SPP, issuing 2,425,705 new SPP CDIs and 574,295 SPP Shortfall CDIs at an issue price of A\$0.95 per CDI.

Proceeds raised from the placement and SPP will be used to support Aceh exploration studies and seismic data, general project costs and working capital.

In addition, 59,895 CDIs were issued on exercise of vested Performance Rights. No other Securities were issued or cancelled during the period to 30 June 2024.

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 requires separate disclosure.

Events After the Period

On 31 August 2024, Conrad and Sembcorp signed a binding GSA for the export of gas produced from the Mako field to Singapore.

The contract term is until the end of the Duyung PSC in January 2037 and allows for the sale of up to 76 billion British thermal units per day ("**Bbtud**"), which is equivalent to around 76.9 million standard cubic feet per day ("**mmscfd**").

The GSA also contains provisions for the sale of up to an additional 35 Bbtud (around 35.4 mmscfd) should a tie-in pipeline not be built to the Indonesian domestic market in Batam and DMO sales do not therefore eventuate. The possible export of these additional volumes is recognised in the Mako plan of development ("**POD** ") 1 Revision.

The terms of the GSA are confidential and are subject to government approval.

A formal signing ceremony, in the presence of SKK Migas, will be arranged at a later date.

Authorised by the Board.

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Condensed Consolidated Statement of Comprehensive Income for the Six-Month Financial Period Ended 30 June 2024

		Consolidated 6 months ended 30 June <u>2024</u> US\$	Consolidated 6 months ended 30 June <u>2023</u> US\$
	<u>Note</u>		
Revenue		-	-
Other income	2	52	8,223
Other operating expenses		(3,568,147)	(7,139,795)
Finance income	4	84,765	53,897
Finance expense	5	(13,219)	(11,456)
Loss before income tax	3	(3,496,549)	(7,089,131)
Income tax	6	-	-
Loss after tax representing total comprehensive expense for the financial period		(3,496,549)	(7,089,131)
Total comprehensive loss attributable to			
Equity holders of the Company		(3,496,549)	(7,089,131)
Non-controlling interest		-	-
		(3,496,549)	(7,089,131)
Loss per share			
- Basic	13(a)	(0.02) cents	(0.09) cents
- Diluted	13(a)	(0.02) cents	(0.09) cents

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

Condensed Consolidated Statement of Financial Position as at 30 June 2024

	Note	30 June 2024 US\$	31 December 2023 US\$
ASSETS			
Non-current assets			
Plant and equipment	7	427,541	295,225
Exploration and evaluation assets	9	28,103,002	27,101,848
Other receivables	11	3,218,156	3,165,877
		<u>31,748,699</u>	<u>30,562,950</u>
Current assets			
Financial asset at fair value through profit or loss	10	-	167,495
Other receivables	11	815,606	415,254
Prepayment		255,373	349,042
Cash and cash equivalents	12	8,864,667	4,511,418
		<u>9,935,646</u>	<u>5,443,209</u>
TOTAL ASSETS		<u>41,684,345</u>	<u>36,006,159</u>
EQUITY AND LIABILITIES			
Equity and reserves			
Share capital	13	80,456,244	70,118,831
Employee benefits reserve	14	1,505,985	1,197,176
Warrants reserve		2,958,950	2,958,950
Accumulated losses		(46,806,224)	(43,309,675)
Total attributable to the owners of the Company		<u>38,114,955</u>	<u>30,965,282</u>
Non-controlling interests		-	-
		<u>38,114,955</u>	<u>30,965,282</u>
Liabilities			
Non-current liabilities			
Lease liabilities	18	201,939	130,016
		<u>201,939</u>	<u>130,016</u>
Current liabilities			
Trade and other payables	15	999,259	1,791,311
Warrants	16	2,166,154	2,964,924
Lease liabilities	18	202,038	154,626
		<u>3,367,451</u>	<u>4,910,861</u>
TOTAL EQUITY AND LIABILITIES		<u>41,684,345</u>	<u>36,006,159</u>

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 2024

Group	Share capital US\$	Accumulated losses US\$	Warrants reserve US\$	Employee benefits reserve US\$	Total attributable to the owners of the Company US\$
Balance at 1 January 2024	70,118,831	(43,309,675)	2,958,950	1,197,176	30,965,282
Loss after tax representing total comprehensive expense for the financial period	-	(3,496,549)	-	-	(3,496,549)
Issuance of ordinary shares	10,337,413	-	-	-	10,337,413
Recognition of share-based payments under Conrad Incentive Plan	-	-	-	308,809	308,809
Balance at 30 June 2024	80,456,244	(46,806,224)	2,958,950	1,505,985	38,114,955
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 expense 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

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 2024

	Consolidated 6 months ended 30 June <u>2024</u> US\$	Consolidated 6 months ended 30 June <u>2023</u> US\$
Cash Flows from Operating Activities		
Loss before income tax	(3,496,549)	(7,089,131)
Adjustments for:		
Interest income	(84,765)	(53,897)
Interest expense	9,633	11,456
Capital raising fee	667,626	-
Depreciation of plant and equipment	99,501	100,994
Fair value loss on revaluation of financial assets, at FVPL	167,495	22,793
Fair value change of warrants	(798,770)	1,272,615
Unrealised foreign exchange (gain)/loss	(5,143)	3,665
Employee Incentive Plan expense	308,809	1,506,753
Operating cash flows before working capital changes	(3,132,163)	(4,224,752)
Changes in working capital:		
Increase in other receivables	(467,942)	(3,479,531)
Decrease/(increase) in prepayment	93,669	(21,098)
(Decrease)/increase in trade and other payables	(775,125)	1,492,597
Cash used in operations	(4,281,561)	(6,232,784)
Interest received	84,765	53,897
Net cash used in operating activities	(4,196,796)	(6,178,887)
Cash Flows from Investing Activities		
Purchase of plant and equipment	(5,787)	(4,129)
Increase in exploration and evaluation assets (Note 9)	(1,001,154)	(1,892,620)
Net cash used in investing activities	(1,006,941)	(1,896,749)
Cash Flows from Financing Activities		
Proceeds from issuance of ordinary shares	10,337,413	-
Cost of issuing capital	(667,626)	-
Repayment of lease liabilities	(99,092)	(96,554)
Interest paid	(9,633)	(11,456)
Net cash generated from/(used in) financing activities	9,561,062	(108,010)
Net increase/(decrease) in cash and cash equivalents	4,357,325	(8,183,646)
Cash and cash equivalents at the beginning of the financial period	4,511,418	18,961,222
Effect of exchange rate changes on foreign currencies cash and bank balances	(4,076)	(4,912)
Cash and cash equivalents at the end of the financial period (Note 12)	8,864,667	10,772,664

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			
	<u>1 January</u>	<u>Repayments</u>	<u>Interest</u>	<u>Unrealised</u>	<u>Addition</u>	<u>30 June</u>
	US\$	US\$	expense	foreign	US\$	US\$
			US\$	exchange gain		
				US\$		
<u>2024</u>						
Lease liabilities	284,642	(108,725)	9,633	(7,603)	226,030	403,977
	284,642	(108,725)	9,633	(7,603)	226,030	403,977
<u>2023</u>						
Lease liabilities	350,025	(108,010)	11,456	(4,566)	-	248,905
	350,025	(108,010)	11,456	(4,566)	-	248,905

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 2024 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 2023.

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

Adoption of new and revised Singapore Financial Reporting Standards (International) (“SFRS(I)”) issued which are effective in the current financial period.

On 1 January 2024, 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.

Adoption of New and Revised SFRS(I) issued but not yet effective.

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) 1-21	<i>Amendments to SFRS(I) 1-21 the Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability</i>	1 January 2025
Amendments to SFRS(I) 10 and SFRS(I) 1-28	<i>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</i>	Deferred indefinitely, early application is still permitted

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

(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 2023.

(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 2023.

2. Other Income

	30 June <u>2024</u> US\$	30 June <u>2023</u> US\$
Government grants	-	6,736
Others	52	1,487
	<u>52</u>	<u>8,223</u>

3. Loss before Income Tax

	30 June <u>2024</u> US\$	30 June <u>2023</u> US\$
Depreciation of plant and equipment	99,501	100,994
Capital raising fee	667,626	-
Computer expense/IT equipment	142,892	114,879
Consultancy fee	46,792	-
Insurance	101,300	67,645
Foreign exchange gain	(35,883)	(2,969)
Legal and professional fees	313,743	437,276
Public relations	75,461	-
General expenses	3,561	56,599
IPO listing costs	21,089	14,627
New venture costs	6,896	16,201
Staff costs:		
- Director's remuneration	240,000	240,000
- Director's fee	175,500	175,500
- Fees for professional services	326,216	326,216
- Contract labour	155,254	140,829
- Staff salaries	1,022,916	1,487,075
- Staff benefit	59,728	12,491
Pension and severance allowance	2,391	656,924
Travelling	219,784	110,912
Employee Incentive Plan expense	308,809	1,506,753
Fair value loss on revaluation of financial assets, at FVPL	167,495	22,793
Fair value change of warrants	(798,770)	1,272,615

4. Finance Income

	30 June <u>2024</u> US\$	30 June <u>2023</u> US\$
Interest income from cash and cash equivalents	84,765	53,897

5. Finance Expense

	30 June <u>2024</u> US\$	30 June <u>2023</u> US\$
Interest expense		
- Others	3,586	-
- Lease liabilities (Note 18)	9,633	11,456
	<u>13,219</u>	<u>11,456</u>

6. Income Tax

	30 June <u>2024</u> US\$	30 June <u>2023</u> 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 <u>2024</u> US\$	30 June <u>2023</u> US\$
Loss before income tax	<u>(3,496,549)</u>	<u>(7,089,131)</u>
Tax calculated at 17%	(594,413)	(1,205,152)
Tax effects of:		
- Expenses not deductible	75,870	746,457
- Deferred tax assets not recognised	<u>518,543</u>	<u>458,695</u>
	<u>-</u>	<u>-</u>

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\$56,000,000 (30 June 2023: US\$47,000,000) at the reporting date which could be carried forward and used to offset against future taxable income subject to meeting certain statutory requirements. The tax losses have no expiry date.

(cont'd)

Deferred tax assets not recognised

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

	30 June <u>2024</u> US\$	30 June <u>2023</u> US\$
Unutilised tax losses (approximate to nearest million)	10,500,000	8,500,000

7. Plant and Equipment

	<u>Computers</u> US\$	<u>Office renovation</u> US\$	<u>Furniture and fittings</u> US\$	<u>Office equipment</u> US\$	<u>Leased building</u> US\$	<u>Total</u> US\$
2024						
<u>Cost</u>						
Balance at 1 January	134,568	16,132	101,409	4,036	718,476	974,621
Additions	-	-	5,787	-	226,030	231,817
Balance at 30 June	134,568	16,132	107,196	4,036	944,506	1,206,438
<u>Accumulated depreciation</u>						
Balance at 1 January	96,813	13,271	99,617	1,924	467,771	679,396
Depreciation	975	903	6,337	660	90,626	99,501
Balance at 30 June	97,788	14,174	105,954	2,584	558,397	778,897
<u>Net book value</u>						
At 30 June	36,780	1,958	1,242	1,452	386,109	427,541
2023						
<u>Cost</u>						
Balance at 1 January	134,568	16,132	97,279	4,036	612,592	864,607
Additions	-	-	4,130	-	98,825	102,955
Lease modification	-	-	-	-	7,059	7,059
Balance at 31 December	134,568	16,132	101,409	4,036	612,592	974,621
<u>Accumulated depreciation</u>						
Balance at 1 January	94,681	11,464	86,978	605	291,117	484,845
Depreciation	2,132	1,807	12,639	1,319	176,654	194,551
Balance at 31 December	96,813	13,271	99,617	1,924	467,771	679,396
<u>Net book value</u>						
At 31 December	37,755	2,861	1,792	2,112	250,705	295,225

8. Investments in Subsidiaries

	Company	
	30 June <u>2024</u> US\$	31 December <u>2023</u> US\$
<u>Unquoted equity investments, at cost</u>		
Balance at the beginning end of the period/year	17,573	17,573

The details of subsidiaries are as follows:

<u>Name of subsidiaries and country of incorporation</u>	<u>Principal activities</u>	Effective equity interest	
		<u>30 June 2024</u> %	<u>31 December 2023</u> %
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

9. Exploration and Evaluation Assets

	30 June <u>2024</u> US\$	31 December <u>2023</u> US\$
Balance at the beginning of the financial period/year	27,101,848	22,392,713
Additions during the period/year	1,001,154	4,709,135
Balance at the end of the financial period/year	<u>28,103,002</u>	<u>27,101,848</u>

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

	30 June <u>2024</u> US\$	31 December <u>2023</u> US\$
Cash	<u>1,001,154</u>	<u>4,709,135</u>

10. Financial Asset at Fair Value through Profit or Loss

	30 June <u>2024</u> US\$	31 December <u>2023</u> US\$
Investment in quoted shares	<u>-</u>	<u>167,495</u>

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

	30 June <u>2024</u> US\$	31 December <u>2023</u> US\$
At the beginning of the financial period/year	167,495	175,739
Fair value loss	(167,495)	(8,244)
At the end of the financial period/year	<u>-</u>	<u>167,495</u>

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.

On 24 April 2024, the entity of the quoted shares requested an immediate suspension of its ordinary shares from trading on the London Stock Exchange due to a shortage of directors on the company's board. Consequently, as of 30 June 2024, management recorded an impairment loss of US\$167,495 in the consolidated profit or loss for the current financial period.

11. Other Receivables

	30 June <u>2024</u> US\$	31 December <u>2023</u> US\$
Other receivables and deposits:		
Production Sharing Contract partners (a)	679,639	324,375
Deposits (b)	415,646	415,385
Performance bond (c)	2,843,156	2,790,877
Other receivables	95,321	50,494
	<u>4,033,762</u>	<u>3,581,131</u>
Non-current	3,218,156	3,165,877
Current	815,606	415,254
	<u>4,033,762</u>	<u>3,581,131</u>

- (a) West Natuna Exploration Limited, Coro Energy Duyung (Singapore) Pte. Ltd. and Emphyrean 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 in the PSC Scheme, Coro and Emphyrean. The operating costs in relation to drilling and exploration costs incurred on the approved gas field which will be reimbursed from the cash carry and cash call paid by Coro and Emphyrean.

As at 30 June 2024 and 31 December 2023, the PSC partners agreed to offset the receivables and payables and presented a net asset under "Production Sharing Contract partners".

- (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 DG Migas 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 2023.

12. Cash and Cash Equivalents

	30 June <u>2024</u> US\$	31 December <u>2023</u> US\$
Cash on hand and at bank	8,864,667	4,511,418

13. Share Capital

	30 June <u>2024</u>		31 December <u>2023</u>	
	No. of shares	US\$	No. of shares	US\$
Issued and fully paid:				
At the beginning of the period	161,723,606	70,118,831	159,398,990	67,883,357
Issue of ordinary shares	16,684,211	10,337,413	-	-
Exercise of share rights to ordinary shares (Note 14)	-	-	2,324,616	2,235,474
	16,684,211	10,337,413	2,324,616	2,235,474
At the end of the period	178,407,817	80,456,244	161,723,606	70,118,831

13(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 <u>2024</u>	30 June <u>2023</u>
Loss attributable to the owners of the Company (US\$)	(3,496,549)	(7,089,131)
Weighted average number of ordinary shares issued		
- Basic	172,969,413	79,044,431
- Diluted	179,133,607	81,982,391
Loss per ordinary share (US\$ cents)		
- Basic	(0.02)	(0.09)
- Diluted	(0.02)	(0.09)

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 2024 and 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. 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.

14. 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.

The Group granted 239,578 share rights to a key management personnel in the previous financial year.

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.

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.

(cont'd)

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.

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
<i>Prior to vesting</i>	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.
<i>After vesting and delivery of shares/CDIs</i>	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):

(cont'd)

- (a) waive any vesting condition; and/or
- (b) determine that any vesting condition is satisfied,

in accordance with the Conrad Incentive Plan.

x) Clawback

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) Tax deferral under tax legislation

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.

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:

<u>Date of grant</u>	<u>Exercise price</u>	Balance at the beginning of the financial <u>period</u>	Number of share rights (lapsed)/granted during the financial <u>period</u>	Number of share rights exercised during the financial <u>period</u>	Number of share rights outstanding as at the end of the financial <u>period</u>
25.09.2022	-	840,000	-	-	840,000
01.07.2023	-	239,578	-	-	239,578

<u>Date of grant</u>	<u>Exercise price</u>	Balance at the beginning of the financial <u>period</u>	Number of options (lapsed)/granted during the financial <u>period</u>	Number of options exercised during the financial <u>period</u>	Number of options outstanding as at the end of the financial <u>period</u>
25 September 2022	U\$0.81	1,440,002	-	-	1,440,002

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.

15. Trade and Other Payables

	30 June <u>2024</u> US\$	31 December <u>2023</u> US\$
Trade payables	297,987	520,925
Other payables	16,740	123,407
Accrued expenses	609,532	1,071,979
Deferred income	75,000	75,000
	<u>999,259</u>	<u>1,791,311</u>

Accrued expenses mainly comprise the exploration cost for the appraisal wells and employee severance pension funds.

Deferred 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.

16. Warrants

	30 June <u>2024</u> US\$	31 December <u>2023</u> US\$
Warrants, at the beginning of the period/year	2,964,924	4,129,232
Fair value change during the period/year	(798,770)	(1,164,308)
Warrants, at the end of the period/year	<u>2,166,154</u>	<u>2,964,924</u>

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 2024. 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 2024:

(cont'd)

<u>Description</u>	Fair value as at 30 June <u>2024</u> US\$	<u>Valuation</u> <u>technique</u>	Unobservable <u>inputs</u>	<u>Inputs</u>
Warrants	2,166,154	Binomial valuation model	Volatility	102.35%
			Risk free rate of return	4.15%
			Number of binomial steps	50 steps

A significant increase (decrease) in unobservable inputs based on management's estimates would result in a significantly higher (lower) fair value measurement.

17. 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 <u>2024</u> US\$	30 June <u>2023</u> US\$
<u>Compensation of key management personnel</u>		
Directors' remuneration	240,000	240,000
Directors' fee	175,500	175,500
Staff benefit	13,559	12,491
Fees for professional services*	326,216	326,216

* 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.

18. 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%.

(cont'd)

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 2 years till 2026.

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.

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

	30 June <u>2024</u> US\$	31 December <u>2023</u> US\$
Leased building	<u>386,109</u>	<u>250,705</u>

(b) Amounts recognised in profit or loss

	30 June <u>2024</u> US\$	30 June <u>2023</u> US\$
Depreciation of right-of-use asset	90,626	91,997
Interest expense on lease liabilities (Note 5)	<u>9,633</u>	<u>11,456</u>
Total amount recognised in profit or loss	<u>100,259</u>	<u>103,453</u>

(c) Other disclosures

	30 June <u>2024</u> US\$	30 June <u>2023</u> US\$
Total cash outflow for leases	<u>108,725</u>	<u>108,010</u>

(cont'd)

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

	30 June <u>2024</u> US\$	31 December <u>2023</u> US\$
Minimum lease payments due:		
- Not later than 1 year	223,578	172,648
- Later than 1 year but within 5 years	210,202	140,097
	<u>433,780</u>	<u>312,745</u>
Less:		
Future finance charges	(29,803)	(28,103)
Present value of financial lease liabilities	<u>403,977</u>	<u>284,642</u>

The present value of lease liabilities is analysed as follows:

	30 June <u>2024</u> US\$	31 December <u>2023</u> US\$
Not later than 1 year	202,038	154,626
Later than 1 year but within 5 years	201,939	130,016
	<u>403,977</u>	<u>284,642</u>

19. 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:

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

(cont'd)

	<u>Level 1</u> US\$	<u>Level 2</u> US\$	<u>Level 3</u> US\$	<u>Total</u> US\$
<u>30 June 2024</u>				
Warrants	-	-	2,166,154	2,166,154
<u>31 December 2023</u>				
Financial asset				
at fair value through profit or loss	167,495	-	-	167,495
Warrants	-	-	2,964,924	2,964,924

The table below sets out information about significant unobservable inputs used as at 30 June 2024 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.

20. Subsequent Events

On 31 August 2024, Conrad and Sembcorp signed a binding GSA for the export of gas produced from the Mako field to Singapore.

The contract term is until the end of the Duyung PSC in January 2037 and allows for the sale of up to 76 billion British thermal units per day ("Bbtud"), which is equivalent to around 76.9 million standard cubic feet per day ("mmscfd").

The GSA also contains provisions for the sale of up to an additional 35 Bbtud (around 35.4 mmscfd) should a tie-in pipeline not be built to the Indonesian domestic market in Batam and DMO sales do not therefore eventuate. The possible export of these additional volumes is recognised in the Mako plan of development ("POD ") 1 Revision.

The terms of the GSA are confidential and are subject to government approval.

A formal signing ceremony, in the presence of SKK Migas, will be arranged at a later date.

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 2024.

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 2024, 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	(Non-Executive Chairman)
Miltiadis Xynogalas	(Managing Director and CEO)
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 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:

<u>Name of Directors</u>	Holdings registered in the name of director		Holdings in which a director is deemed to have an interest	
	At <u>01.01.2024</u>	At <u>30.06.2024</u>	At <u>01.01.2024</u>	At <u>30.06.2024</u>
	<u>No. of ordinary shares, warrants and vested share options</u>			
<u>The Company</u>				
Peter Botten	480,000	480,000	870,095	901,673
Miltiadis Xynogalas	1,057,672	1,089,250	14,400,000	14,400,000
David Johnson	1,081,840	1,081,840	-	-
Paul Bernard	770,514	802,092	5,044,072	5,075,650
Jeremy Brest	-	-	5,746,250	5,777,828
Mario Traviati	9,884,242	9,915,820	3,119,235	3,119,235

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 239,578 share rights to key management personnel and employees in the previous financial year.

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 Directors	Number of unvested share rights held		Number of unvested options held	
	At	At	At	At
	01.01.2024	30.06.2024	01.01.2024	30.06.2024
Peter Botten	-	-	-	-
Miltiadis Xynogalas	160,000	160,000	400,000	400,000
David Johnson	560,000	560,000	400,000	400,000
Paul Bernard	-	-	213,334	213,334
Jeremy Brest	-	-	213,334	213,334
Mario Traviati	-	-	213,334	213,334

Share rights

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.

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.

The share rights will lapse and expire if the vesting conditions are not met. Please refer to Note 14 for more information.

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.

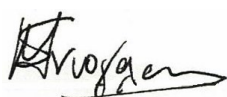
4 Share Rights and Options (cont'd)

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:

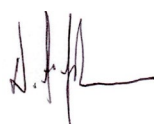
<u>Date of grant</u>	<u>Exercise price</u>	Balance at the beginning of the financial <u>period</u>	Number of share rights (lapsed)/granted during the financial <u>period</u>	Number of share rights exercised during the financial <u>period</u>	Number of share rights outstanding as at the end of the financial <u>period</u>
25.09.2022	-	840,000	-	-	840,000
01.07.2023	-	239,578	-	-	239,578

<u>Date of grant</u>	<u>Exercise price</u>	Balance at the beginning of the financial <u>period</u>	Number of options (lapsed)/granted during the financial <u>period</u>	Number of options vested during the financial <u>period</u>	Number of unvested options outstanding as at the end of the financial <u>period</u>
25.09.2022	US\$0.81	1,440,002	-	-	1,440,002

On behalf of the Board of Directors,



.....
Miltiadis Xynogalas



.....
David Johnson

Singapore

Independent Auditor's Review Report



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

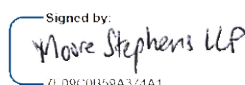
We have reviewed the accompanying condensed interim consolidated financial statements of Conrad Asia Energy Ltd (the "Company") and its subsidiaries (collectively referred to as the "Group"), which comprise the condensed consolidated statement of financial position of the Group as at 30 June 2024 and 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 2024, 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*.

Signed by:

/F 09C01659A3/4A1

Moore Stephens LLP
Public Accountants and
Chartered Accountants

Singapore

11 September 2024