

23rd November 2015

Completion of the acquisition of Dart Energy (Indonesia) Holdings Pte Ltd

We refer to our announcement dated 20 May 2015 in relation to the signing of the conditional Share Purchase Agreement (“SPA”) with Dart Energy International Limited (“the Vendor”) on 20 May 2015 to acquire 100% of the issued share capital of Dart Energy (Indonesia) Holdings Pte Ltd (“DEIH”). We wish to inform that all the conditions precedent have been met and the balance of the purchase consideration of US\$500,000 has been paid to the Vendor on 20 November 2015. In this regard, the Proposed Acquisition has been completed on 20 November 2015.

We wish to highlight that the exploration period for the Tanjung Enim PSC was extended for an additional period of 4 years from 4 August 2015 to 3 August 2019.

The unaudited pro-forma financial effect of the acquisition on the consolidated statement of financial position of NuEnergy Gas Limited (“NGY”) group of companies (“NGY Group”) as at 31 October 2015 is shown in Appendix 1.

The latest available resource estimates of DEIH’s Production Sharing Contracts were last published in the 2013 Annual Report (<http://www.asx.com.au/asxpdf/20131024/pdf/42k9288w2tzyv7.pdf>) of Dart Energy Limited (the holding company of the Vendor, ASX:DTE, delisted 21 October 2014) which were prepared by an independent competent person in the oil and gas industry, with Netherland Sewell and Associates Inc. (“NSAI”). NGY is currently seeking NSAI’s permission to republish the said DEIH’s resource estimates. NGY will announce DEIH’s resource estimates in accordance with Chapter 5 of the ASX Listing Rules, once NSAI’s consent has been obtained.

The Chairman of NGY, Kok Keong Kong, commented:

“This is a significant moment for NGY and we look forward to exciting times ahead as we integrate and build on our South Sumatra assets to develop a large scale coal bed methane (“CBM”) supply which is unprecedented.”

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ABOUT NGY

NGY is an emerging ASX listed gas and ancillary power generation development company with an immediate focus on establishing unconventional gas production in Indonesia.

NGY has a strategy to acquire, explore, appraise and develop CBM acreage in this region. It is listed on the Australian Securities Exchange (ASX: NGY) with offices in Sydney (Australia) and Jakarta (Indonesia).

The Company's overall strategy is to explore and establish commercial resources/reserves over its CBM projects, construct production facilities and commence production as soon as possible.

The Company is led by a team of experienced executives with a track record of successfully identifying and developing projects around the world. This team is complemented by the skills of our Indonesian partners to maximise the value of the company's CBM opportunities.

Shareholder Enquiries

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Unaudited Proforma Consolidated Statement of Financial Position of NGY Group

	Unaudited as at 31 October 2015	Acquisition effects of DEIH ⁽¹⁾	Pro-forma After the Acquisition of DEIH
	\$	\$	\$
CURRENT ASSETS			
Cash and cash equivalents	3,563,474	(639,353)	2,924,121
Trade and other receivables	1,440,182	(551,187)	888,995
Inventories	-	1,208,766	1,208,766
Less: Adjustment ⁽²⁾	-	(1,200,000)	(1,200,000)
Prepayments	112,651	25,096	137,747
TOTAL CURRENT ASSETS	5,116,307	(1,156,678)	3,959,629
NON-CURRENT ASSETS			
Available for sale financial assets	7,461	-	7,461
Plant and equipment	267,348	1,400	268,748
Exploration and evaluation asset	34,191,608	22,895,917	57,087,525
Less: Adjustment ⁽²⁾	-	(22,143,117)	(22,143,117)
Other financial assets	1,260,585	6,222,095	7,482,680
TOTAL NON-CURRENT ASSETS	35,727,002	6,976,295	42,703,297
TOTAL ASSETS	40,843,309	5,819,617	46,662,926
CURRENT LIABILITIES			
Trade and other payables	390,238	5,819,617	6,209,855
Provisions	107,431	-	107,431
TOTAL CURRENT LIABILITIES	497,669	5,819,617	6,317,286
NON-CURRENT LIABILITIES			
Provisions	10,000	-	10,000
Deferred tax liabilities	2,196,372	-	2,196,372
TOTAL NON-CURRENT LIABILITIES	2,206,372	-	2,206,372
TOTAL LIABILITIES	2,704,041	5,819,617	8,523,658
NET ASSETS	38,139,268	-	38,139,268
EQUITY			
Issued capital	85,324,979	-	85,324,979
Reserves	6,583,934	-	6,583,934
Accumulated losses at 30 June 2015	(53,438,994)	-	(53,438,994)
Current year losses for 1 July to 31 October 2015	(601,245)	-	(601,245)
Gain on bargain purchase on acquisition of DEIH before adjustment ⁽²⁾	-	23,343,115	23,343,115
Less: Adjustment ⁽²⁾	-	(23,343,115)	(23,343,115)
Non-controlling interest	270,594	-	270,594
TOTAL EQUITY	38,139,268	-	38,139,268

Notes:

- (1) Pro-forma consolidation adjustments arising on acquisition of DEIH based on DEIH Group's unaudited management accounts as at 31 October 2015 and payment of the purchase consideration.

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- (2) The pro-forma gain on bargain purchase on acquisition of DEIH of A\$23.3 million above was based on the excess of the unaudited net assets of DEIH Group as at 31 October 2015, over NGY's purchase consideration of DEIH of US\$1.0 million. Due to time constraints, the fair value of DEIH Group's net identifiable assets on 20 November 2015, being the date of acquisition, has yet to be determined. For the purposes of illustrating the effect of acquisition, the fair value of the net identifiable assets of DEIH Group has been assumed to be equivalent to the purchase consideration of DEIH. Hence, adjustments are made to reduce the pro-forma gain on bargain purchase to Nil with a corresponding reduction to Exploration and Evaluation Asset and Inventories. Subject to the completion of an ongoing fair value assessment and purchase price allocation exercise, where the fair values of the identifiable assets and liabilities will be determined, a gain on bargain purchase or goodwill on acquisition may materialise. NGY has 12 months to conduct this fair value assessment and purchase price allocation from the date of acquisition of DEIH.

The A\$:US\$ exchange rate as at 31 October 2015 used to translate the pro-forma unaudited net assets of NGY & DEIH Groups and the consideration paid was US\$0.714:A\$1.00.

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