

15 May 2013

NuEnergy Gas Commences Airborne Geophysical Survey in Malawi

NuEnergy aiming to become the first unconventional gas producer in Malawi

- **Airborne geophysical survey commences on EPL 0360/2012 in Chikhwawa District of Malawi**
- **Exploration drilling to follow - targeting Karoo basin carbonaceous coal shale formations which are estimated to be up to 600 metres thick**
- **Ribbon cutting event attended by Malawi's Vice President and Minister for Mines**
- **NuEnergy working closely with Government of Malawi to progress development of unconventional gas**

Indonesian and African focused energy company NuEnergy Gas Limited (ASX: NGY) ("NuEnergy") is pleased to announce that it has commenced an airborne geophysical survey at its Exclusive Prospecting License (EPL 0360/2012) in the Chikhwawa District in southern Malawi. This EPL for shale gas and Coal Bed Methane ("**CBM**") covers an area of 346km² and is the first unconventional gas exploration license in the country.

With initial field geological surveys having been completed in November 2012, this airborne geophysical survey will be conducted by New Resolution Geophysics using highly specialised equipment to measure the natural magnetic field, indicating the depth and structure of the sediments in the Mwanza river basin.

The survey is expected to take 12 days, flying 6,000, one-kilometre lines spaced 250 metres apart. All survey data will be verified on a daily basis by independent geophysicists from JMJ Petroleum to ensure quality control. Once basin characteristics have been determined and evaluated, NuEnergy will identify high potential drilling locations for shale gas and potentially CBM.

Given the significance of the development, a ribbon cutting event was held in Malawi on 13th of May. This event was attended by a number of dignitaries from the Government including the Country's Vice President, Right Honourable Khumbo Kachali and Minister for Mines the Honourable John Banda.

NuEnergy's Chairman Mr Graeme Robertson commented on the commencement of the program:

"We are delighted to commence the airborne geophysical survey in Malawi over the potentially significant Karoo shale formation contained within our license area. This program is a significant development for both Malawi and NuEnergy and it has been exciting for us to mark the occasion with a ribbon cutting event, attended by distinguished guests such as the Right Honourable Vice President and the Honourable Minister for Mines.

"Malawi is an under-explored emerging country rapidly gaining acceptance through its Government reforms and with major World Bank and IMF support. The country possesses significant unsupplied demand from its transport and power sectors and we remain very optimistic about the development potential of EPL 0360/2012."

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NuEnergy's Chief Executive Officer Christopher Newport added:

"The Airborne Geophysical Survey is the first step in the commencement of unconventional gas exploration in Malawi and is expected to confirm the potential of this resource as well as identify high potential targets for exploratory drilling. NuEnergy is delighted to be working closely with the Government of Malawi with a view to achieving the goals of becoming the first unconventional gas producer in the country and delivering lower cost, cleaner and more reliable energy alternatives to the transport, industrial and commercial sectors."

The commencement of NuEnergy's exploration activities in Malawi is timely in a country that has included mining among the five priority sectors that are being strongly promoted in order to transform the country's economy. The French Government has granted EUR 10 million for a geological remapping exercise across the country, which will be conducted as part of the Mining Governance and Growth Support Project, whose other financiers include the World Bank (contributing \$25 million) and the European Union (contributing \$5 million).



The Malawi Ribbon Cutting Ceremony, Blantyre Airport, Monday 13 May, 2013.

Back row from left: Tarn Brereton (Manager - Eastern Africa), Dr Leonard Kalindekafe (Principal Secretary, Malawi Ministry of Mines), Jonathan Warrand (NuEnergy Director), Honourable John Banda (Malawi Minister for Mines), Right Honourable Vice President Khumbo Kachali; and traditional authorities (front row).

NuEnergy is also currently making significant progress with respect to the development of CBM resources in Muara Enim PSC in Indonesia. The pilot production program underway at the Muara Enim well site aims to commercialise early stage CBM output through a sale of the pilot gas to a

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compressed natural gas (“CNG”) operator. CNG is planned to be taken from the pilot Muara Enim site for supply to peak power generators and local industrials.

With the alternate fuel being diesel at prices in excess of \$30/mmbtu, CNG is presenting in Indonesia as an indigenously produced, competitively priced and clean alternative to imported diesel. NuEnergy, through its leadership position in the Indonesian CBM industry, is well placed to take advantage of this emerging trend.

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About NuEnergy Gas

NuEnergy Gas Limited (ASX:NGY) is an emerging ASX listed gas and ancillary power generation development company with an immediate focus on establishing unconventional gas exploration & production in Indonesia and Eastern Africa.

The company’s overall strategy is to rapidly prove up CBM and shale gas resources and bring these resources to production through small scale power generation, CNG and mini LNG and via connection to the local gas grid.

NuEnergy has secured strategically located CBM and shale gas concessions in areas where there is a significantly undersupplied gas and power market and where possible where there is abundant energy infrastructure to take gas and/or power to market. NuEnergy has three operated PSCs in Indonesia, two operated CBM & shale gas joint ventures in Tanzania and an Exclusive Prospecting Licence in Malawi for CBM and shale gas.

For further information please contact the CEO Christopher Newport in Singapore on +65 65570031 or through our Sydney representative office:

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