

Conrad Petroleum Announces Approval of Development Plan and Mako Gas Field Conversion of PSC

Singapore, Mar 10, 2019 ([IssueWire.com](http://www.IssueWire.com)) - Conrad Petroleum Limited (Conrad or the Company), the operator of Duyung PSC, announced that its development plan for the Mako gas field (the POD), originally submitted in August 2018 and re-submitted under the gross split regime in January 2019, has been approved by Indonesia's Ministry of Energy and Mineral Resources (MEMR).

Conrad also announced the conversion of the Duyung Production Sharing Contract (Duyung PSC) from the cost recovery scheme to the gross split scheme. The amended PSC was agreed by Conrad and the Government of Indonesia on 25 January 2019.

In 2017, Indonesia's MEMR introduced new regulations as it replaced the cost recovery scheme with the gross split regime. Since its introduction, the gross split scheme has considerably simplified the government approval processes and is expected to have a positive impact on the oil and gas industry.

Miltos Xynogalas, Conrad's CEO said, "The approval of the POD for Mako is an important milestone in the maturation of the Mako gas field. This step advances the project and provides the certainty necessary for Conrad to conclude gas sales contracts and finalize access to evacuation routes. In addition, it allows Conrad to continue exploring within the Duyung PSC, and acreage with several identified leads and prospects and a confirmed petroleum system. The gross split scheme significantly streamlines the budgeting and approval process for operations within the PSC area, enabling contractors such as Conrad to increase their operational activities. Furthermore, the lower tax burden prior to commercial production provides us even more incentive to launch additional operations in the near future."

The Duyung PSC covers approximately 890 km² in the Riau Islands Province, situated in the offshore Indonesian waters of the South China Sea, and is proximal to the West Natuna Transportation System (WNTS), a gas pipeline to markets in Singapore. WNTS currently supplies approximately 0.4 billion cubic feet (Bcf) of natural gas per day to Singapore. In June 2017, WNEL drilled the successful Mako South-1 exploration well. A November 2018 resource audit by Gaffney Cline & Associates reported contingent (2C) resources of 276 Bcf in the Mako gas field.

About Conrad Petroleum

Conrad Petroleum is a private oil and gas upstream company domiciled in Singapore with operational headquarters in Jakarta, Indonesia. The Company has an asset base focused on the shallow waters offshore Indonesia, predominantly targeting natural gas near existing infrastructure. Conrad Petroleum is the holder of two Production Sharing Contracts (PSC's) in offshore Indonesia: Duyung PSC (76.5% WI) and Offshore North X-ray PSC (100% WI). More information on the Company can be found at www.conradpetro.com.

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Source : Conrad Petroleum

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