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Coro Energy PLC  
31 January 2024

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## **Coro Energy Plc**

("Coro" or the "Company" and together with its subsidiaries the "Group")

### **Update re Duyung PSC**

Coro Energy PLC, the South East Asian energy company with a natural gas and clean energy portfolio, notes the announcement released by Conrad Asia Energy Ltd ("Conrad" or the "Operator"), the holder of a 76.5% operated interest in the Duyung Production Sharing Contract (PSC), offshore Indonesia, in which the Group has a 15% interest.

In its announcement, the Operator provided an update in respect of, inter alia, activities in respect of the Mako gas project within the Duyung PSC during the quarter ended 31 December 2023. In doing so, the Operator has provided an update on the expected capital costs of the Mako development project and associated project timings.

An extract of the Operator's announcement in respect of Duyung PSC developments is set out below:

- *Considerable progress has been made in maturing the Mako project during the past months. The key developments include:*
- *Front end engineering design ("FEED") studies for the Mako development project have concluded. Based on these studies (and the procurement process to date), capital costs for Phase 1 are currently estimated to be US\$325 million based on a 100% participating interest, in line with market trends. Capital expenditures to initial revenues are currently estimated to be US\$250 million (100%). Project costs and expenditure scheduling are being further optimised to reduce this amount. The planned development wells are targeted to deliver 120 mmscfd (100%) for a plateau period of seven years.*
- *In Q3 2023, the Company signed a non-binding term sheet (the "Term*

Sheet") with Sembcorp Gas Pte Ltd ("Sembcorp"), a major Singapore energy company, which outlines the core terms and serves as the basis for negotiating a definitive Gas Sales Agreement ("GSA"). Subsequent commercial negotiation between the Minister of Mining and Natural Resources and Sembcorp has resulted in both improved price formula and a delay in executing the GSA, and accordingly, Conrad has agreed with Sembcorp to delay the deadline to finalise a binding GSA (which will be subject to customary conditions precedent) by the end of Q2 2024.

- During the quarter, Conrad progressed the technical and commercial work with the West Natuna Transportation System ("WNTS") Joint Venture and with the support of SKK Migas to negotiate the commercial and legal terms of access to the WNTS for the transportation of the Mako gas to Singapore. Despite the good progress, delays have been encountered and this has required a revision of the project timeline and finalisation of the GSA.
- While the Company continues to strive to reach a Mako final investment decision ("FID") at the earliest, on the current trajectory of conclusion of the GSA and gas transportation agreement, FID would be delayed until mid-2024. Production start-up would commensurately slip until mid-2026.
- The [Conrad] Duyung farm down process is progressing. With the announcement of the Term Sheet, as well as progress on all other facets of the project, more parties have expressed interest in the Mako project. The Company is engaging in confidential discussions with potential partners regarding acquisition of a Participating Interest in the Duyung PSC.
- Conrad has appointed a financial advisor to assist with the debt funding portion of its share of the Mako project capital cost. Conrad has received an indicative term-sheet from one of the potential lenders to help fund Conrad's share of project costs. Lender selection and completion of documentation are expected by mid-2024.

**James Parsons, Chairman, commented:**

*"The improved GSA price formula and optimised capital expenditures (with the introduction of staged production start-up) underpin both the robust economics of the Duyung PSC and the likely attractiveness of the project to debt providers and potential farm in partners. We eagerly await the outcome of the farm out process and in the meantime will continue to progress the growth of our renewables portfolio at pace building on our recent progress in both Vietnam and the Philippines."*

**For further information please contact:**

**Coro Energy plc**

James Parsons, Executive Chairman

Via Vigo Consulting Ltd

**Cavendish Capital Markets  
Limited (Nominated Adviser)**

Adrian Hadden  
Ben Jeynes

Tel: 44 (0)20 7220 0500

**Hybridan LLP (Nominated Broker)**

Claire Louise Noyce

Tel: 44 [\(0\)20 3764 2341](tel:4402037642341)

**Gneiss Energy Limited (Financial Advisor)**

Jon Fitzpatrick  
Doug Rycroft

Tel: 44 (0)20 3983 9263

**Vigo Consulting (IR/PR Advisor)**

Patrick d'Ancona  
Finlay Thomson

Tel: 44 (0)20 7390 0230

*The information contained within this announcement is deemed by the Company to constitute inside information as stipulated under the UK version of the EU Market Abuse Regulation 596/2014 which is part of UK law by virtue of the European Union (Withdrawal) Act 2018, as amended and supplemented from time to time. Upon the publication of this announcement, this inside information is now considered to be in the public domain.*

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Update re Duyung PSC  
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Company Announcement - General  
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