



# ENERGY WORLD CORPORATION LTD.

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12 December 2018

The Manager  
ASX Company Announcements  
ASX Limited

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## **Indonesia Gas Field Update**

- Sengkang PSC extension signed**
- Awarded joint study on Karaeng Block**

Energy World Corporation Limited (“EWC”) is pleased to announce that our 100% subsidiary, Energy Equity Epic Sengkang (“EEES”) has signed the Production Sharing Contract (“PSC”) with SKK Migas for the extension of the Sengkang PSC for a further 20 years.

The broad terms of the extension are as follows:

Term	PSC extension of 20 years from October 2022 until October 2042
Economic Basis	Gross Split
Signature Bonus	US\$12 million
5 Year Development Contribution (Starting from October 2022)	US\$88 million supported by a bank guarantee of US\$8.8 million
Local Partner	In line with new Government requirements to encourage involvement of local companies, EEES will enter into a business to business arrangement with a suitably qualified local Indonesian partner, to be approved by SKK Migas, within 6 months.

The US\$12 million signature bonus and US\$8.8 million bank guarantee have been provided to SKK Migas.

Separately, we have been awarded an opportunity to complete a joint study of the Karaeng Block in South Sulawesi with SKK Migas.

Brian Allen, Executive Director of EWC, commented that “with the signing of the PSC by SKK Migas the financial obligations for the extension have been satisfied, and we will now move on to finalising arrangements with a local partner. We will also continue to operate the Sengkang gas field and power plant under our existing contracts. With the extension in place, we will be in a position to commence discussions on other contracts for the monetisation of the gas from the Sengkang gas field beyond 2022, together with providing increased reserves for our mid scale modular Sengkang LNG facility.

We are also happy to have received the opportunity to complete a joint study on the Karaeng block, which is situated onshore and offshore in South Sulawesi and which, by area, is more than 3 times the size of the Sengkang block.”

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Stewart Elliott, Chairman and CEO stated that “We are very grateful for the support of the Indonesian Government, Local Government in Sengkang and SKK Migas. We look forward to working with the various government entities to develop the Sengkang gas field to its full potential, and to evaluate the potential of the Karaeng block. With this Sengkang extension we are now well placed to fulfil our vision of bringing affordable electricity, city gas, gas for industrial uses and LNG to the people of Indonesia”.

### **Sengkang PSC Signing Ceremony – 11 December 2018**



Mr Stewart Elliott, Mr Brian Allen and Mr Andi Riyanto (President of EEES) with the Vice Minister of Energy and Mineral Resources, Mr Arcandra Tahar, The Director General of DG Migas, Mr Djoko Siswanto and the Chairman of SKK Migas, Mr Dwi Soetjipto

Yours sincerely,

For and on behalf of

ENERGY WORLD CORPORATION LTD.

*Brian Allen*

Brian Allen

Executive Director

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