



14th May 2015

JPDA 06-103 PSC Update

Oilex Limited, in its capacity as Operator, on behalf of the Joint Venture Participants in the Joint Petroleum Development Area ("JPDA") 06-103 Production Sharing Contract ("PSC"), has advised that a Notice of Intent to Terminate the PSC ("Notice") has been received from the Autoridade Nacional do Petróleo ("ANP"). The Notice follows on from the recent rejection by the ANP of the Joint Venture request to terminate the PSC by mutual agreement in accordance with its terms and without penalty or claim ("Request to Terminate") received on 11th May 2015.

The Notice asserts a monetary claim against the Joint Venture for payment of the estimated cost of exploration activities not carried out in 2013 and certain local content obligations set out in the PSC. The total amount sought to be recovered by the ANP in the Notice is approximately US\$17 million (PPP share approximately US\$2.6 million).

The ANP has requested the Joint Venture to submit a written response to the Notice by 12 June 2015. In accordance with this request, the Operator and Joint Venture Participants will review the Notice to determine a response and respond within the specified period.

The PSC remains in suspension until 15 July 2015.

Background

The Request to Terminate was made in 2013 due to concerns regarding security of PSC tenure as a result of separate unilateral rights to terminate the Certain Maritime Arrangements in the Timor Sea ("CMATS") arising in 2013 in favour of both the Government of Timor Leste and the Government of Australia, and formal arbitration proceedings being initiated by the Timor Leste Government against the Government of Australia to have CMATS declared *void ab initio*.

The Joint Venture partners in JPDA 06-103 are:

Pan Pacific Petroleum (JPDA 06-103) Pty Ltd	15%
Oilex (JPDA 06-103) Ltd	10%
Global Energy Inc	20%
GSPC (JPDA) Ltd	20%
Bharat PetroResources JPDA Limited	20%
Japan Energy E&P JPDA Pty Ltd	15%

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