



2011 BBY Agriculture, Clean Technology & Energy Conference

Crux Liquids Project

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Presented by

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What has been achieved so far 2012 FYTD

- Funding and farm down negotiations advancing to schedule
- FID targeted by 2011 CY end
- Nexus project management team (PMT) strengthened
- EPCI contract terms with McDermott nearing completion
- Seismic inversion completed – well locations being confirmed
- LOI for subsea flowlines and risers
- Commenced final term sheet negotiations for funding
- Completed schedule acceleration studies
- Commenced safety and risk studies
- Progressing engineering and procurement
- RISC reports completed
- NOPSA has accepted Nexus as registered operator

- Nexus (85%) and Osaka Gas (15%) hold rights over liquid reserves of the field
- Shell holds rights over the gas reserves
- Production Licence requires recovery operations to have commenced by February 2014
- Nexus and Osaka Gas are able to:
 - Pursue liquids stripping project until 31 December 2020; or, if extension executed, until 31 December 2023; or
 - Participate in Shell operated gas and liquids project

Financing

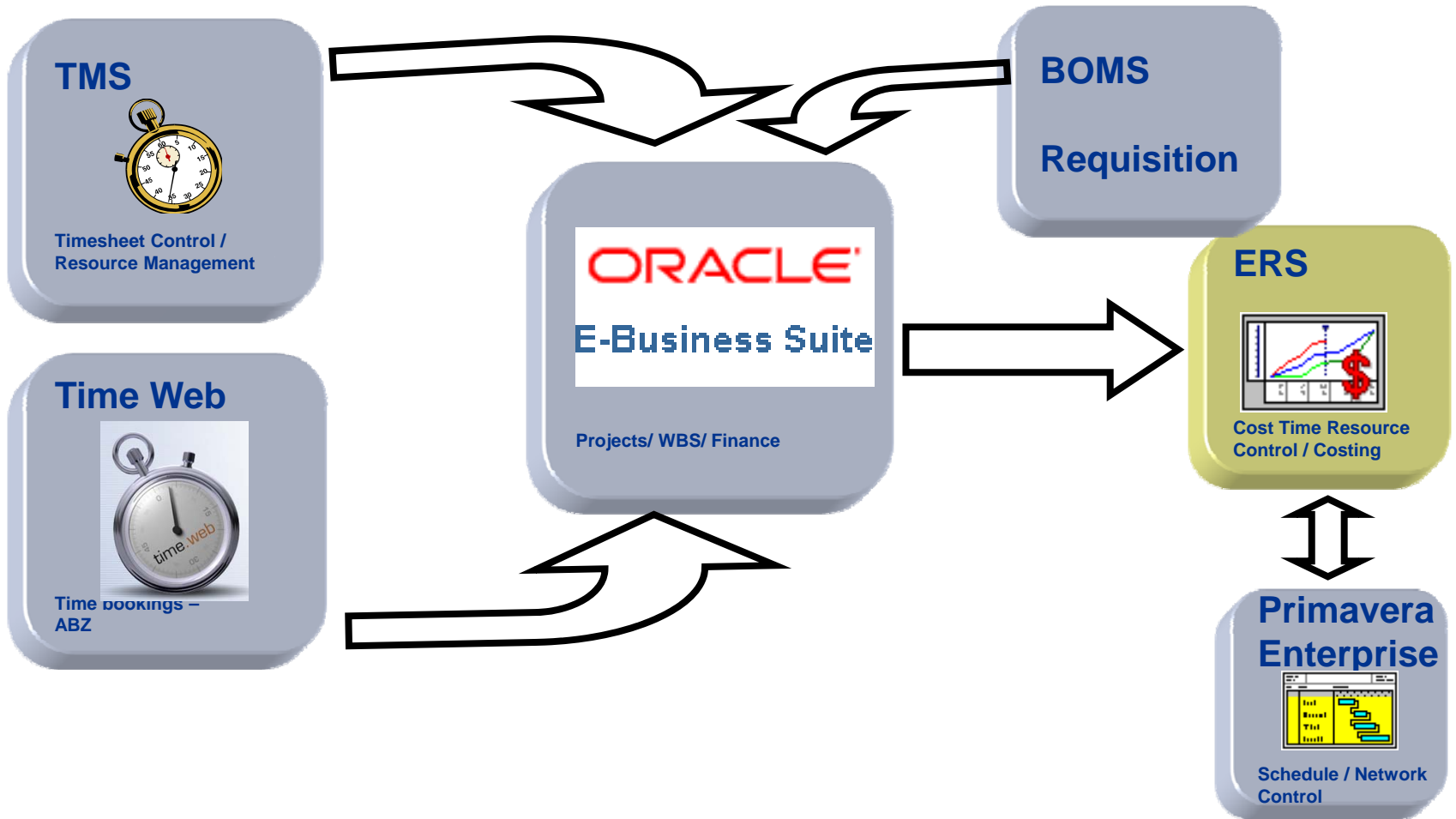
- Term sheets being finalised for up to US\$1 billion senior debt
- Sell down of Nexus' Crux interest from 85% to 50%, expected to cover Nexus' base equity requirement
- Strong project revenue supports early debt payout
- Leveraging Asian banking liquidity in conjunction with traditional bank finance (China)
- Independent technical expert to be appointed by banks
- Timeline is consistent with FID processes

Project management system (PMS) is in place

- This defines the methods and controls needed to execute the project

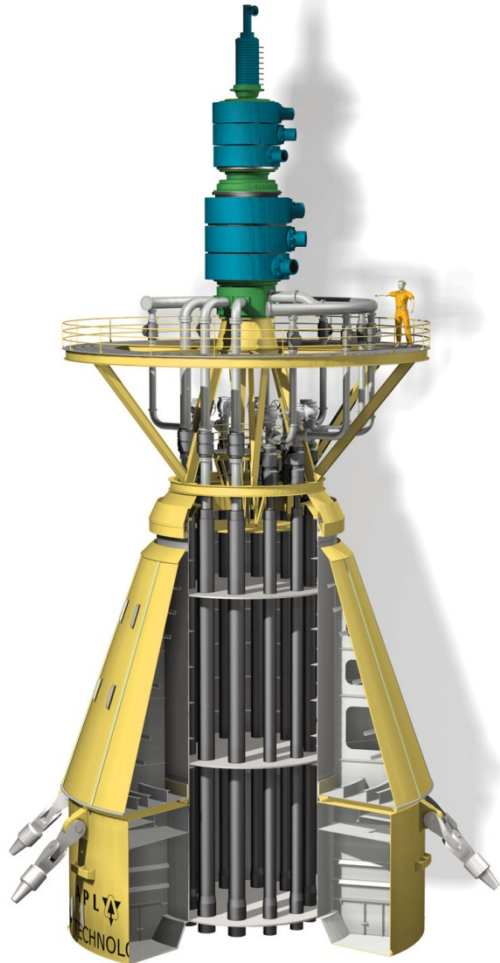
PMS covers

- Project integrity
- Change management
- Control of cost and schedule
- Management of procurement and construction
- Communications and reporting



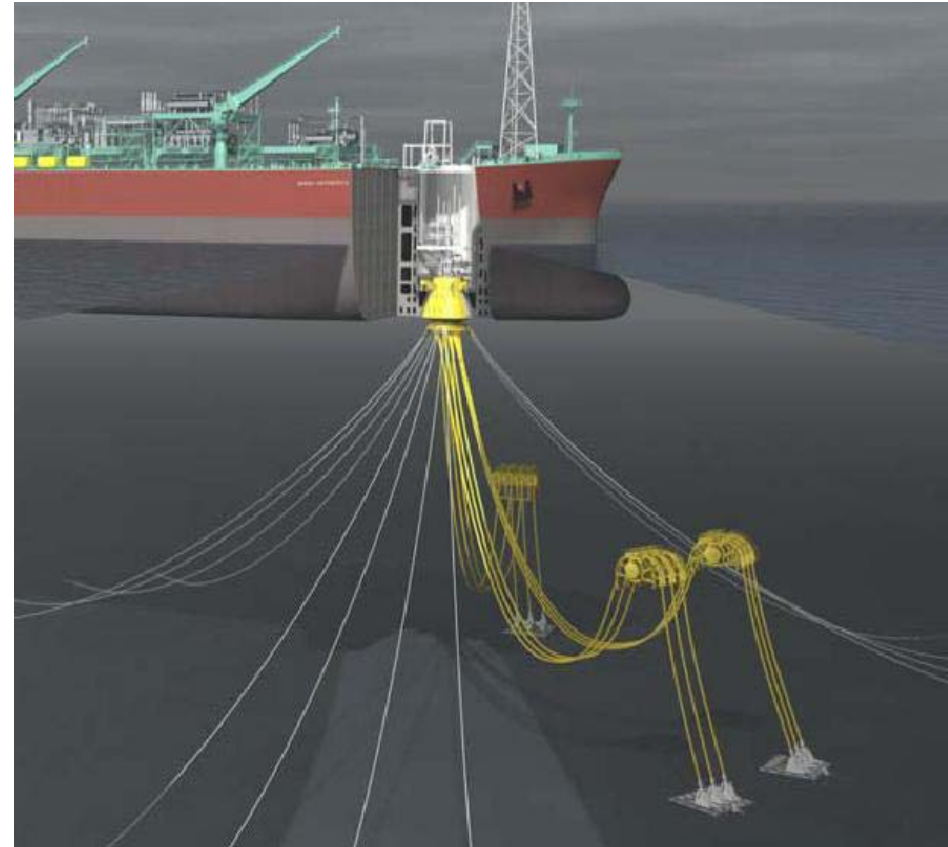
- Nexus project management team (PMT) currently comprises >385 man years of relevant experience
- Nexus PMT will be augmented for execution phase, post FID
- McDermott is main FPSO contractor taking the project to FID
- Subcontractors – TMS (APL), Topsides fabrication and integration yard (QMW), tanker conversion yard (QWHI) and tanker conversion engineering (Six Tee)
- Wood Group is supporting the Subsea element of the project
- AGR Perth analysing existing well design

- McDermott operates in more than 20 countries across the Atlantic, Middle East and Asia Pacific
 - In 2010, McDermott was ranked in top 10 O&G engineering contractors by revenue
 - McDermott has extensive topsides engineering and fabrication experience and is a leading offshore installation contractor
- Proven mooring design from Advanced Production and Loading (APL)
- Proposals expected this month from APL or Framo for swivels
 - Framo gas swivel qualified to 515 bar @ 120 deg C and delivered to 3 projects (BP, BG and OGX)
 - Framo swivel can be easily integrated into the APL turret system for Crux
- FPSO fabrication planned for China shipyards



- Crux TMS based on APL STP concept
- Larger “5000” unit with full depth moonpool
- Buoy supports chains and risers
- Fully disconnectable design
- Pre-install prior to FPSO hook-up
- Swivel stack within moonpool
- 4 fully rated production swivels
- 1 fully rated re-injection swivel
- Simple re-injection manifolding downstream
- Emphasis on proven track record

APL swivel stack within turret moonpool



- GE Compressors
 - Reinjection Compressors awarded to GE Florence
 - First (of 2) Compressor ready for testing late October 2011
- Cameron Subsea Trees
 - Factory Acceptance Test of first two subsea trees
- Flowlines & Umbilicals
 - LOI issued to Wellstream

FPSO

- Revised mete-ocean analysis led to the decision for a disconnectable FPSO based on a converted Suezmax tanker
- SBM engineering has been validated
- Critical equipment has been identified and quotations have been obtained from suppliers
- Further definition of piping, flare, modules and structural supports and a new topsides general arrangement plan has been produced

Tanker

- A set of tanker selection criteria has been developed
- 4 candidate vessels have been identified

Subsea

- A new field layout has been produced to optimise FPSO location and flowline lengths based on current well locations
- Scopes of work and specifications have been updated and supplier quotations have been received for SURF components
- Regulatory Plan has been prepared

Technical activities have focused on supporting RFQ for critical components

Subsurface: 1

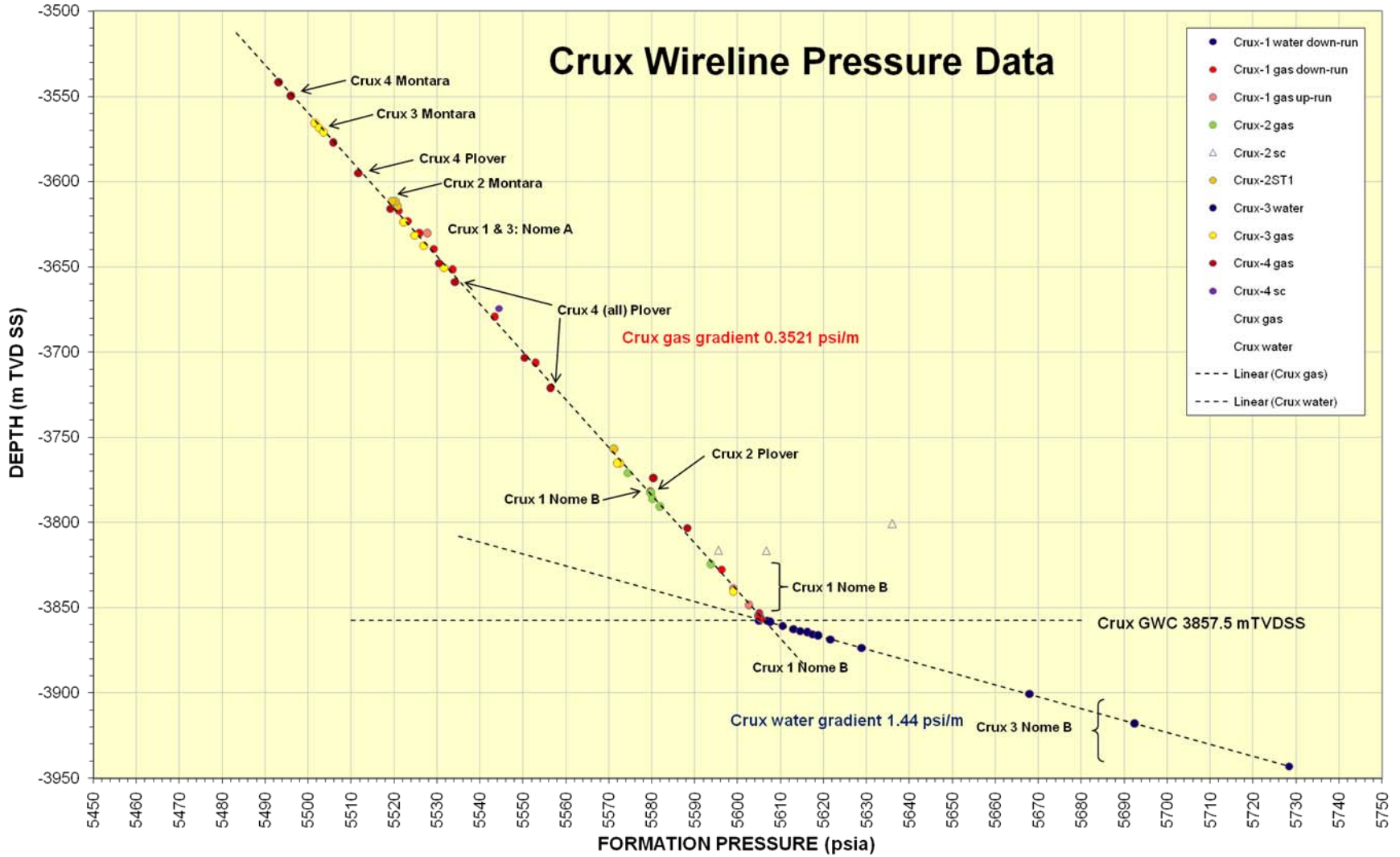
Confidence in G&G data base : WELLS

	Crux-1	Crux-2	Crux-2ST1	Crux-3	Crux-4	Libra-1	Octans-1
Date	Apr-00	Dec-06	Dec-06	Dec-07	Jan-08	Dec-08	Jun-09
Conventional Core	✓			✓			
Sidewall Core	✓	✓	✓	✓	✓	✓	✓
Production Test	✓✓			✓			
Pressure Tests	✓	✓	✓	✓	✓	✓	✓
Fluid Samples	✓	✓	✓	✓		✓	✓
Resistivity Logs	✓	✓	✓	✓	✓	✓	✓
Nuclear Logs	✓	✓	✓	✓	✓	✓	✓
Acoustic Logs	✓	✓	✓	✓	✓	✓	✓
NMR Logs	✓						
Spectral Gamma Logs	✓	✓	✓	✓	✓	✓	
Borehole Image Logs	✓	✓	✓	✓	✓		
Velocity seismic profile	✓	✓		✓	✓	✓	

Seven modern boreholes with comprehensive data acquisition (logs, cores, test data)

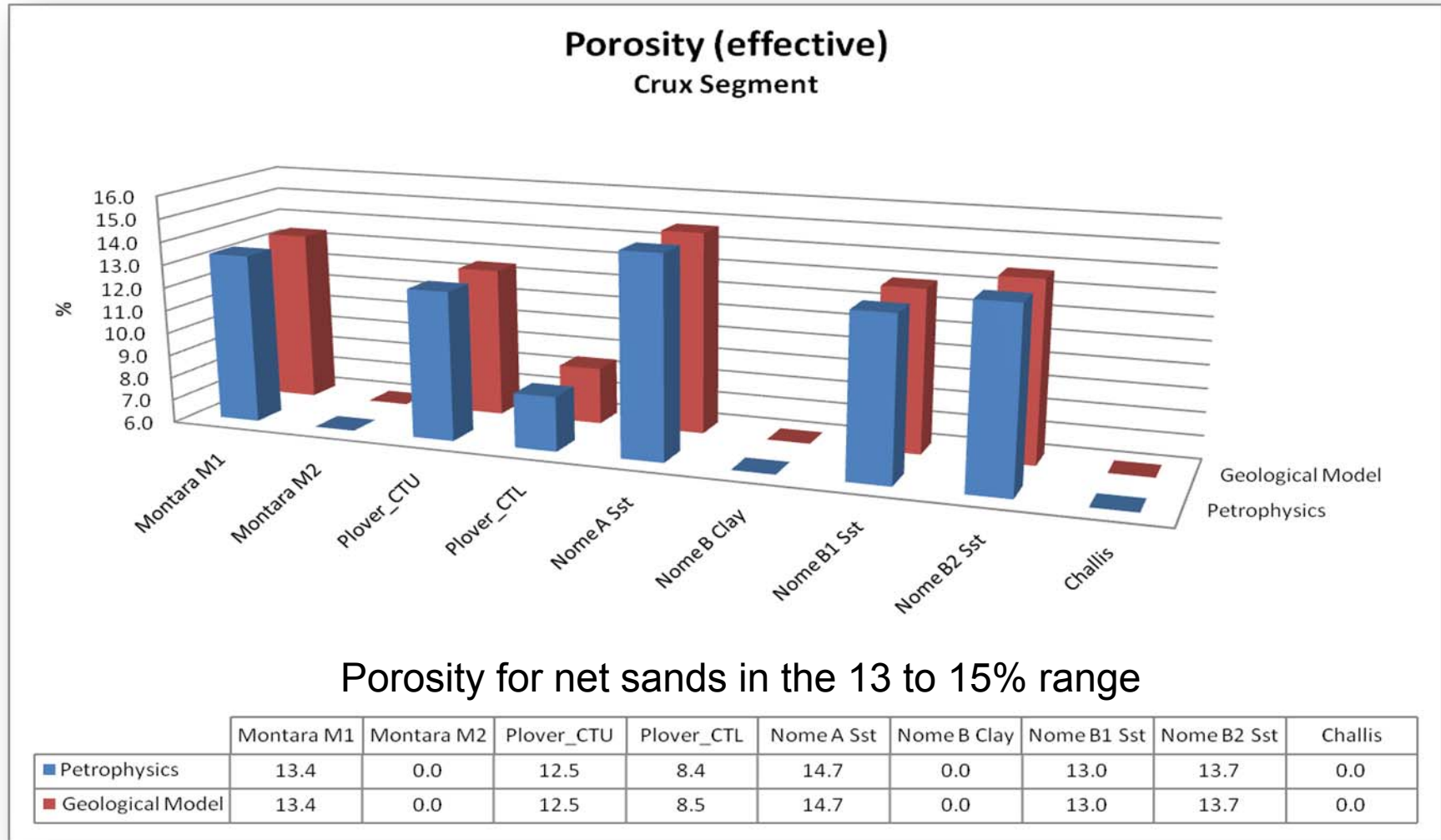
- Petrophysical well evaluation is reliable
- Numerous well/seismic ties facilitates confident seismic interpretation

* Red colour indicates data not acquired



Pressure data indicates a single gas column greater than 300m

Lower Montara, B Clay and Challis zones are treated as non-net

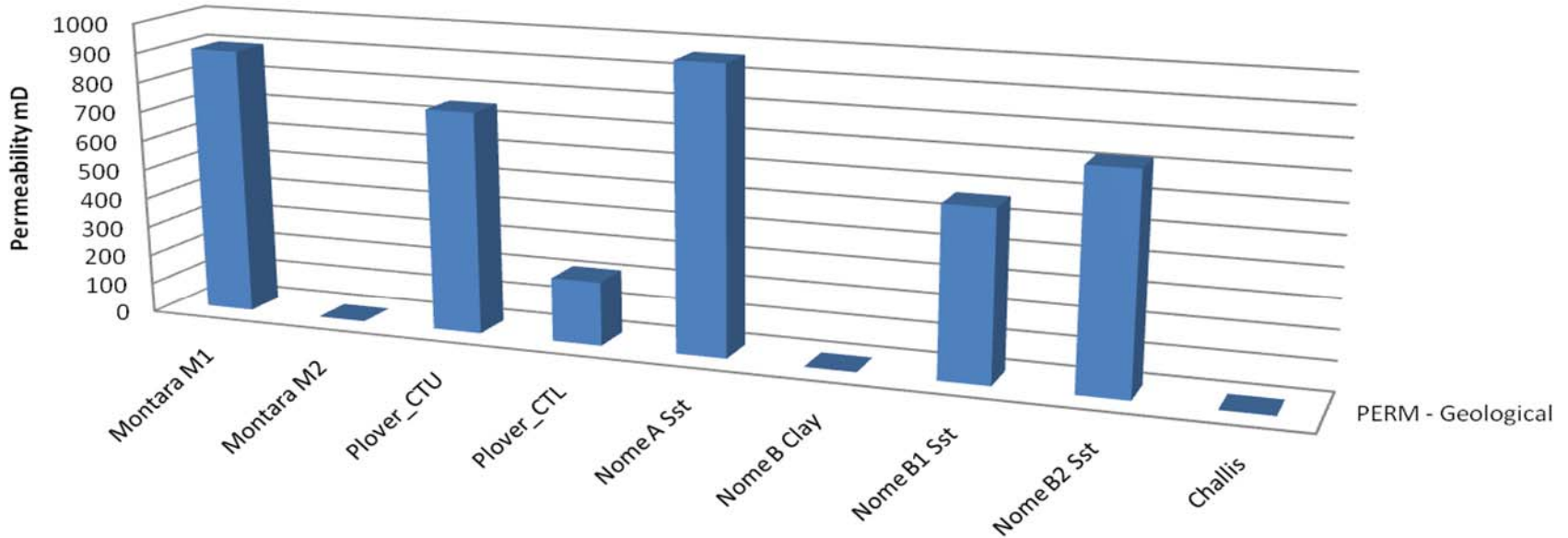


Log evaluations have been supported by conventional core analysis

Subsurface: 4

Reservoir quality : Permeability

Permeability Net in Crux segment



Permeability up to 1 Darcy

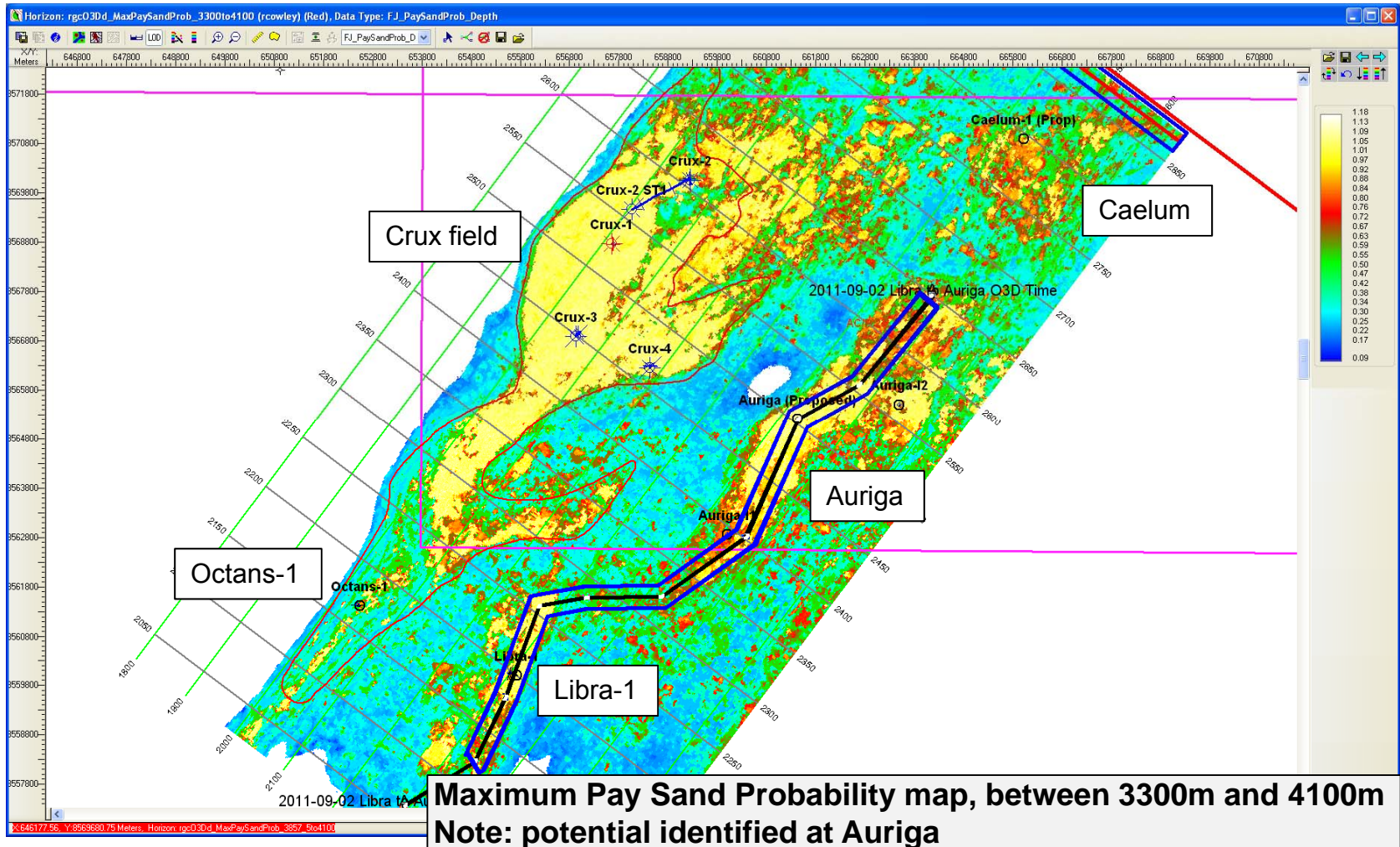
	Montara M1	Montara M2	Plover_CTU	Plover_CTL	Nome A Sst	Nome B Clay	Nome B1 Sst	Nome B2 Sst	Challis
■ PERM - Geological	903	0	752	216	965	0	571	725	0

Lower Montara, B Clay and Challis zones are treated as non-net

Subsurface: 5

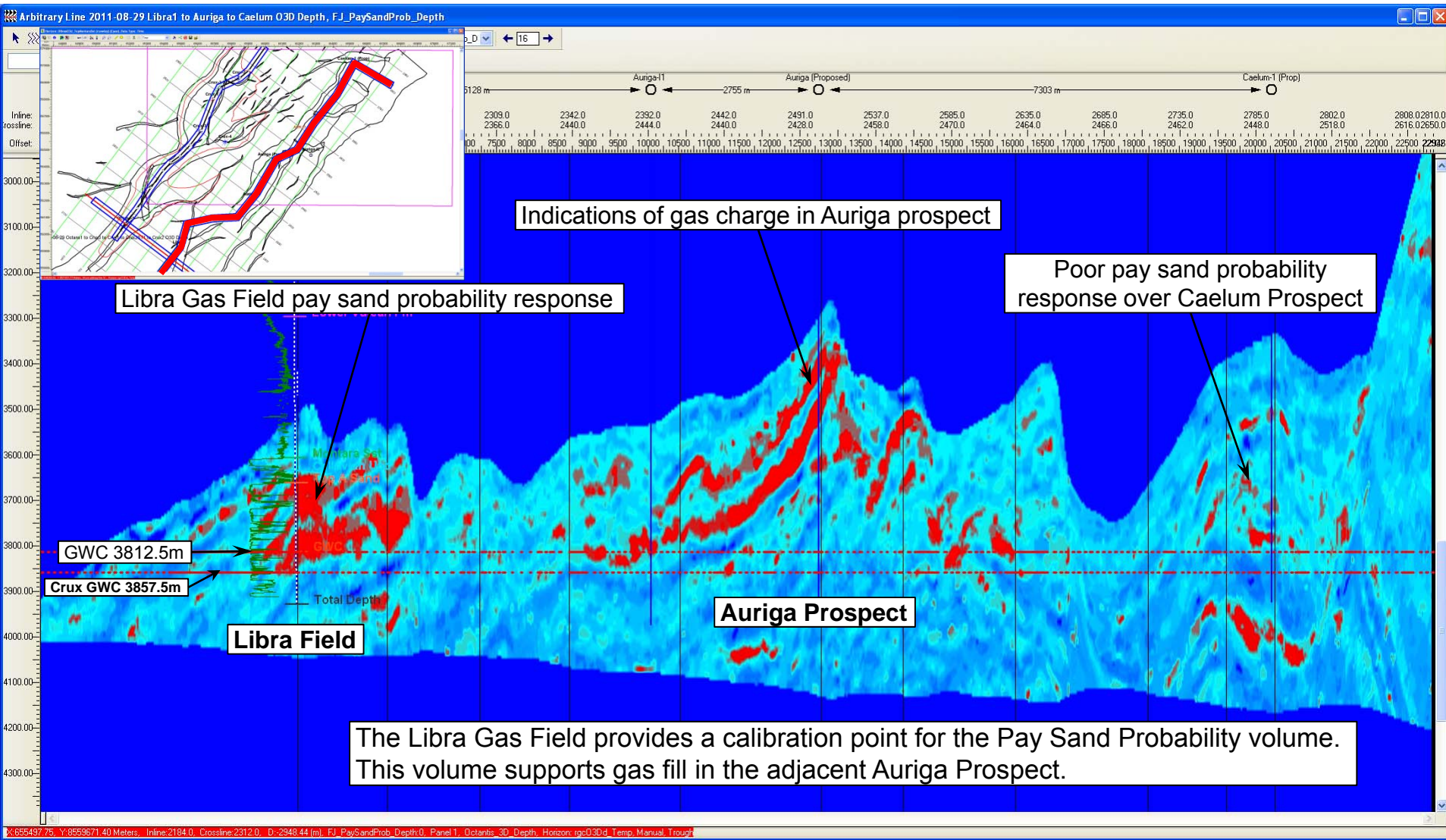
Reservoir quality : Pay prediction

2011 inversion data proved effective in identifying/mapping sand distribution & pay probability
Confirmed Nome as the primary reservoir across the field



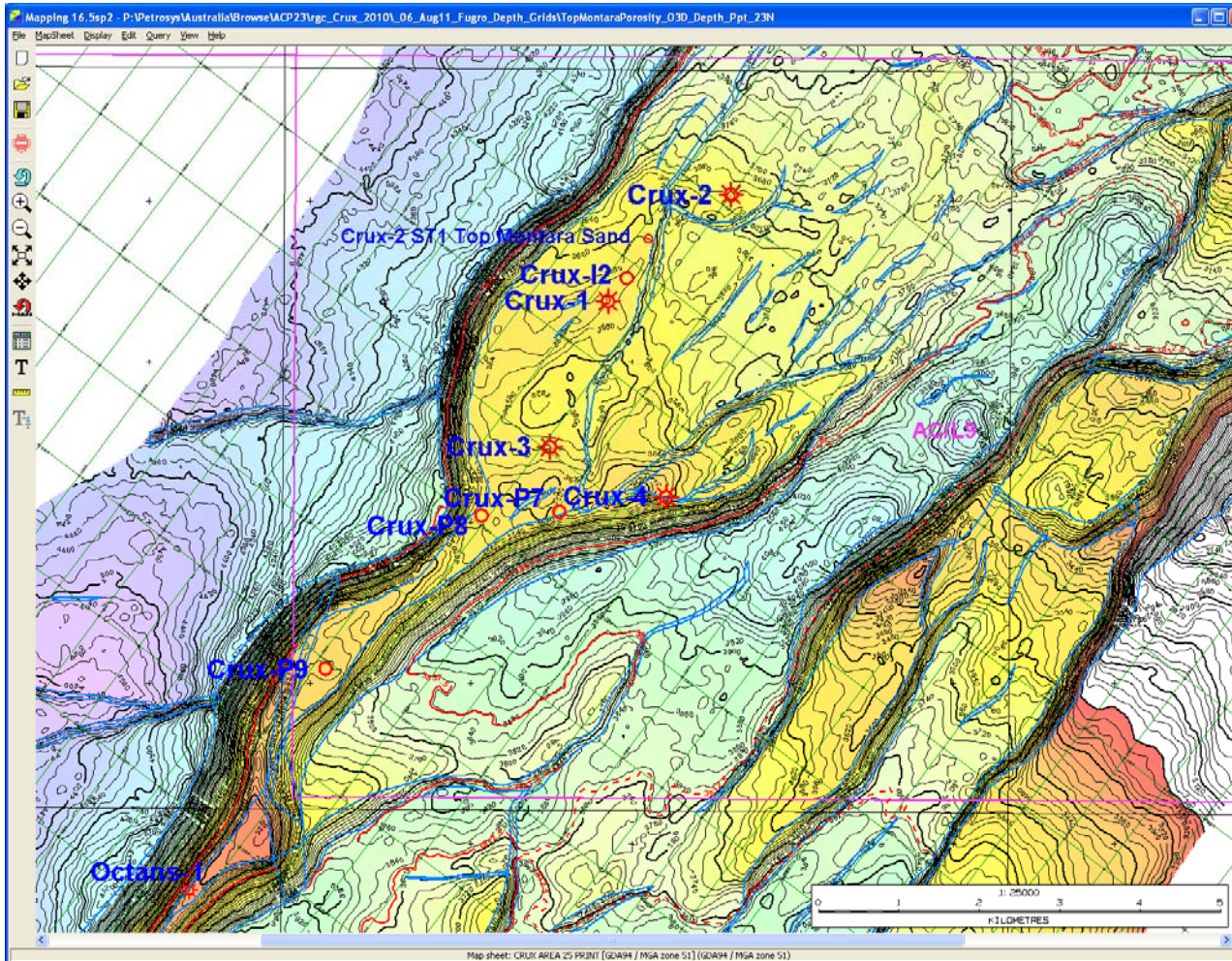
Subsurface: 6

Auriga potential confirmed



Subsurface: 7

Well locations confirmed



- Four producers/four injectors planned. Well locations (except for P9) accepted
- P9 well location under review due to uncertainty of South Crux connectivity to main horst
- Based on 2011 seismic inversion data and correlations across the Crux Field, conclude the following:
 - P9 well will intersect Nome 'B' sands
 - with connectivity into the Crux Main Horst
 - with a high pay sand probability
 - Confidence in P9 location increased

- Pre-FID Capital Raising in April 2011 allocated \$20 million to process
- Cost projections track within budget

- CAPEX

FPSO current estimates	\$675 million
Subsea current estimates	\$250 million
Drilling estimates	\$350 million
Total	\$1275 million

* Excludes financing costs and project contingencies

- Crux Annual Opex Estimate US\$54 million including:
 - FPSO Manning
 - Maintenance
 - Includes 1 workover rig mob/demob
 - Support & consumables
 - Logistics (Supply base, Marine & Aviation Support)

Operations

- Nexus is committed to give priority to Health, Safety and Protection of the Environment in the operation of the Crux development
- Operations & Maintenance Management
 - Disconnectable FPSO remains under ships classification rules
 - Manned to “Australian disconnectable FPSO Model”

Schedule

- Project scheduled to produce liquids in 2014
- Converted tanker option saves 6 months (vs new-build option)
- Critical Path runs through tanker identification and conversion, topsides fabrication and integration, offshore installation and commissioning

McDermott

- Currently operating under early contractor involvement (ECI) reimbursable cost time resource (CTR) contract

Wood Group

- Currently operating under reimbursable CTR

Cameron

- Subsea trees and controls

Wellstream – LOI only

- Subsea flowlines and risers

GE (Nuovo Pignone)

- Reinjection Compressors

What has been achieved so far 2012 FYTD

- Funding and farm down negotiations advancing to schedule
- FID targeted by 2011 CY end
- A strong Nexus project management team
- EPCI contract terms will be ready at FID
- Seismic inversion successfully defines well locations
- Funding and potential farm down discussions are advancing
- LOI for major LLIs (such as subsea flowlines and risers)
- Schedule is well understood
- Safety and risk studies are progressing
- Engineering and procurement are progressing



“Ambitions shaped by a passion for growth and technical innovation
with a foundation of business and operational integrity”

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