



**2011 Citi Australian & New Zealand
Conference**

Crux Liquids Project

**Sydney
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Presented by

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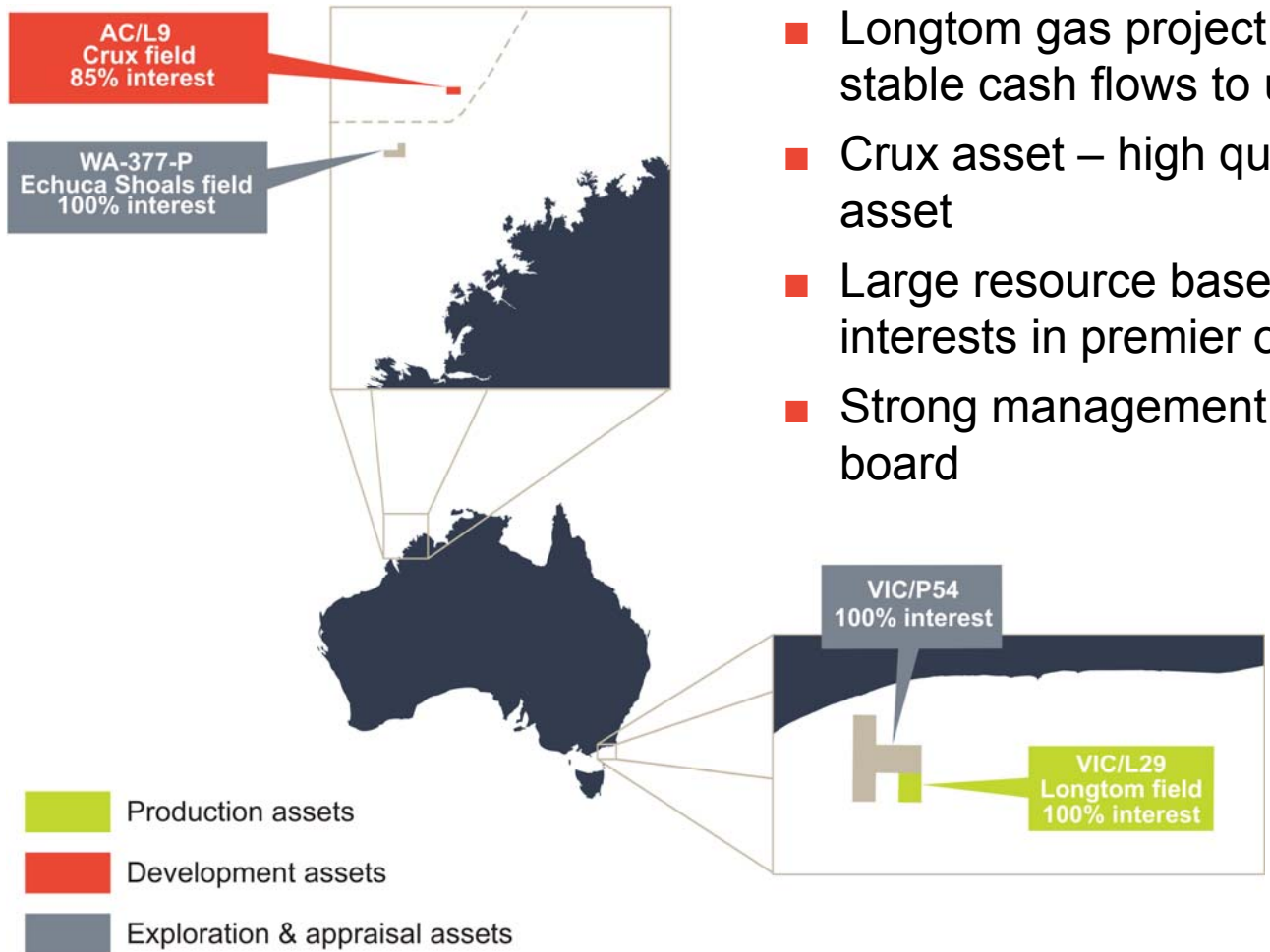
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All dates in this presentation are for calendar years unless stated FY for financial year.

All references to \$ are in Australian currency, unless stated otherwise.



- Longtom gas project – producing asset with stable cash flows to underwrite growth
- Crux asset – high quality Browse basin asset
- Large resource base and large equity interests in premier oil and gas basins
- Strong management team and experienced board

Large reserves base and large equity interests in premier oil and gas basins

To achieve final investment decision (FID) targeting end 2011 CY we need:

- Finance arrangements approved
- Farm-in partners secured
- Project execution

2012 FY YTD achievements

- 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
- Completed schedule acceleration studies
- Commenced safety and risk studies
- Progressing engineering and procurement
- NOPSA has accepted Nexus as registered operator

Financing

- Term sheets being finalised for up to US\$1 billion senior debt
- 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

Farm-in

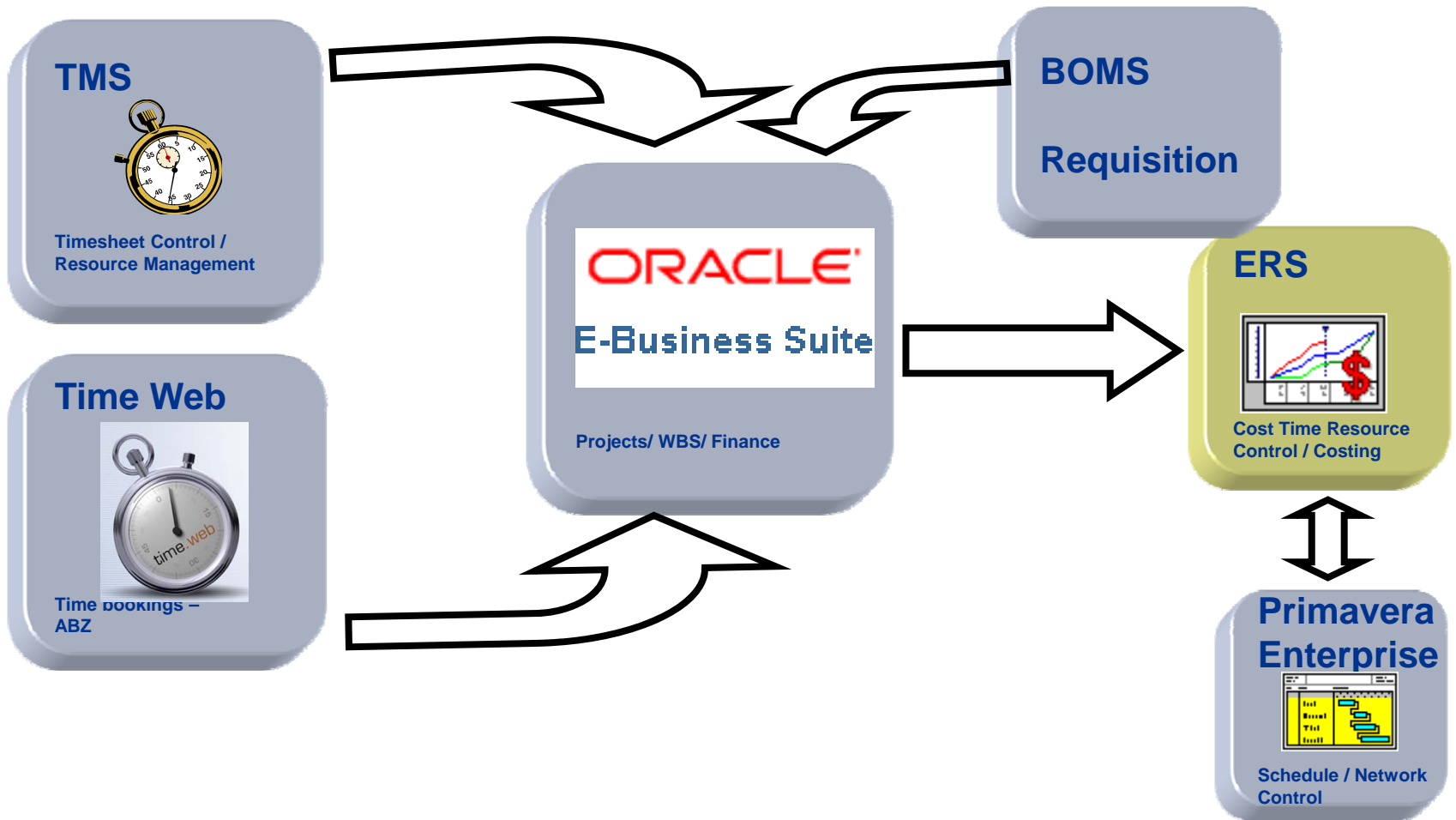
- Sell down of Nexus' Crux interest from 85% to 50%, expected to cover Nexus' base equity requirement
- Farm down negotiations advancing to schedule
- Strong project revenue supports early debt payout

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

- 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

APL

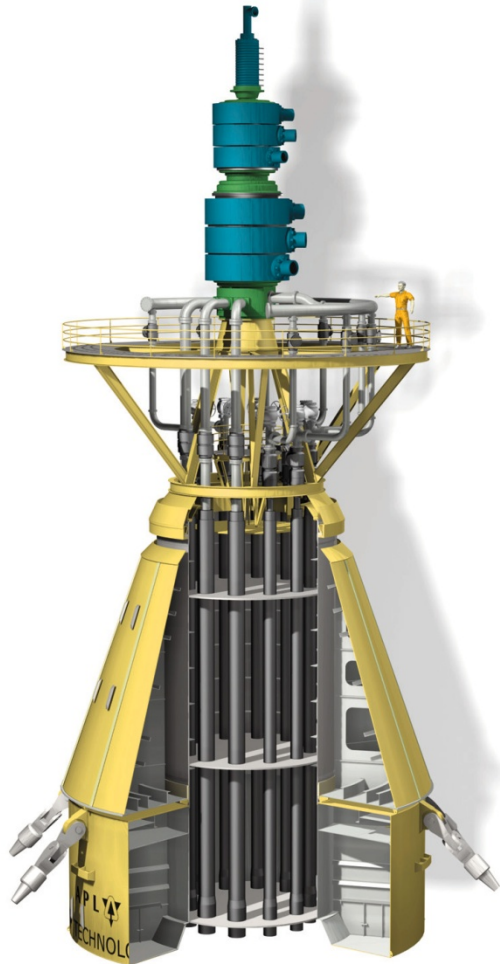
- Mooring system

APL or Framo

- Swivel system (515 bar @ 120°C)

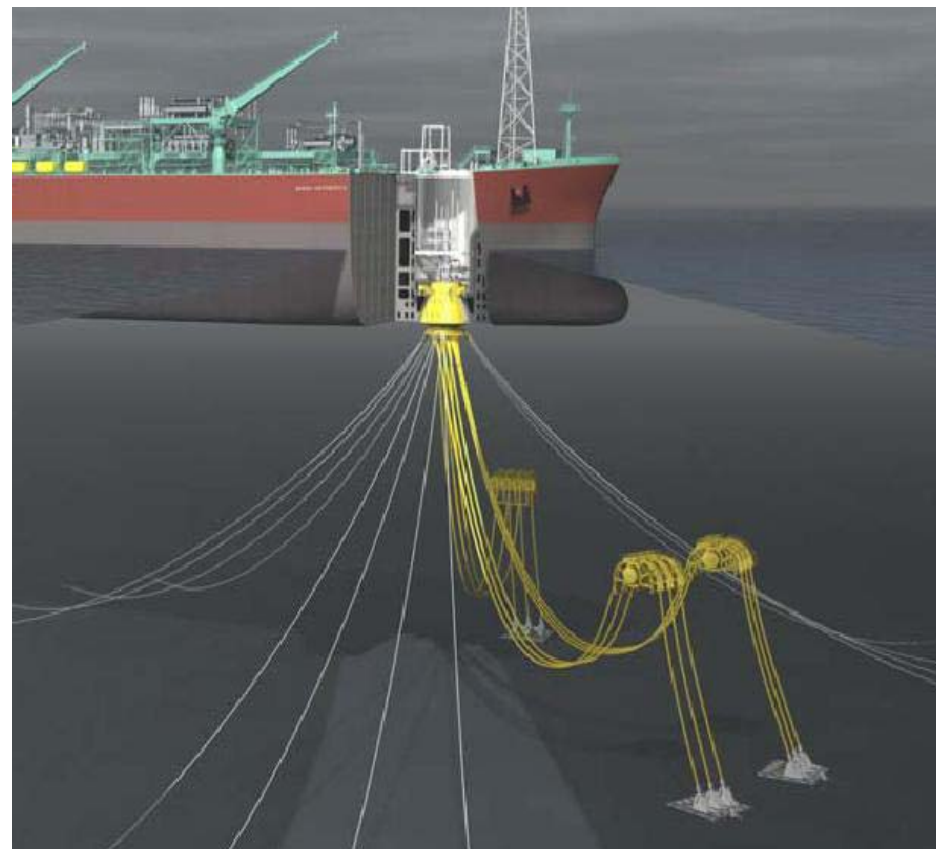
China shipyard

- FPSO and Topsides



- 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	✓	✓		✓	✓	✓	

* Red colour indicates data not acquired

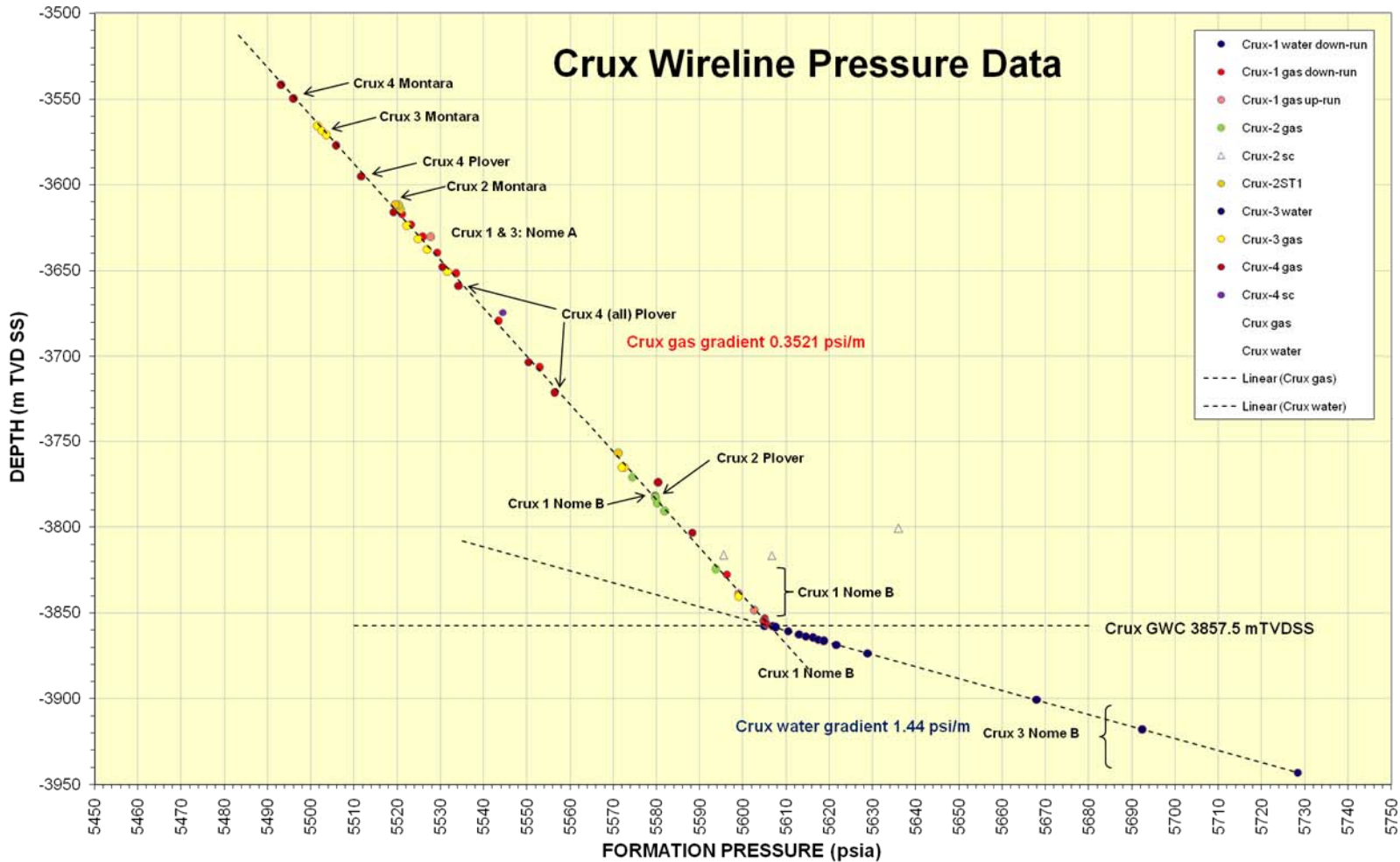
Seven modern boreholes with comprehensive data acquisition (logs, cores, test data)

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

Well data is extensive – known reservoir

Subsurface: 2

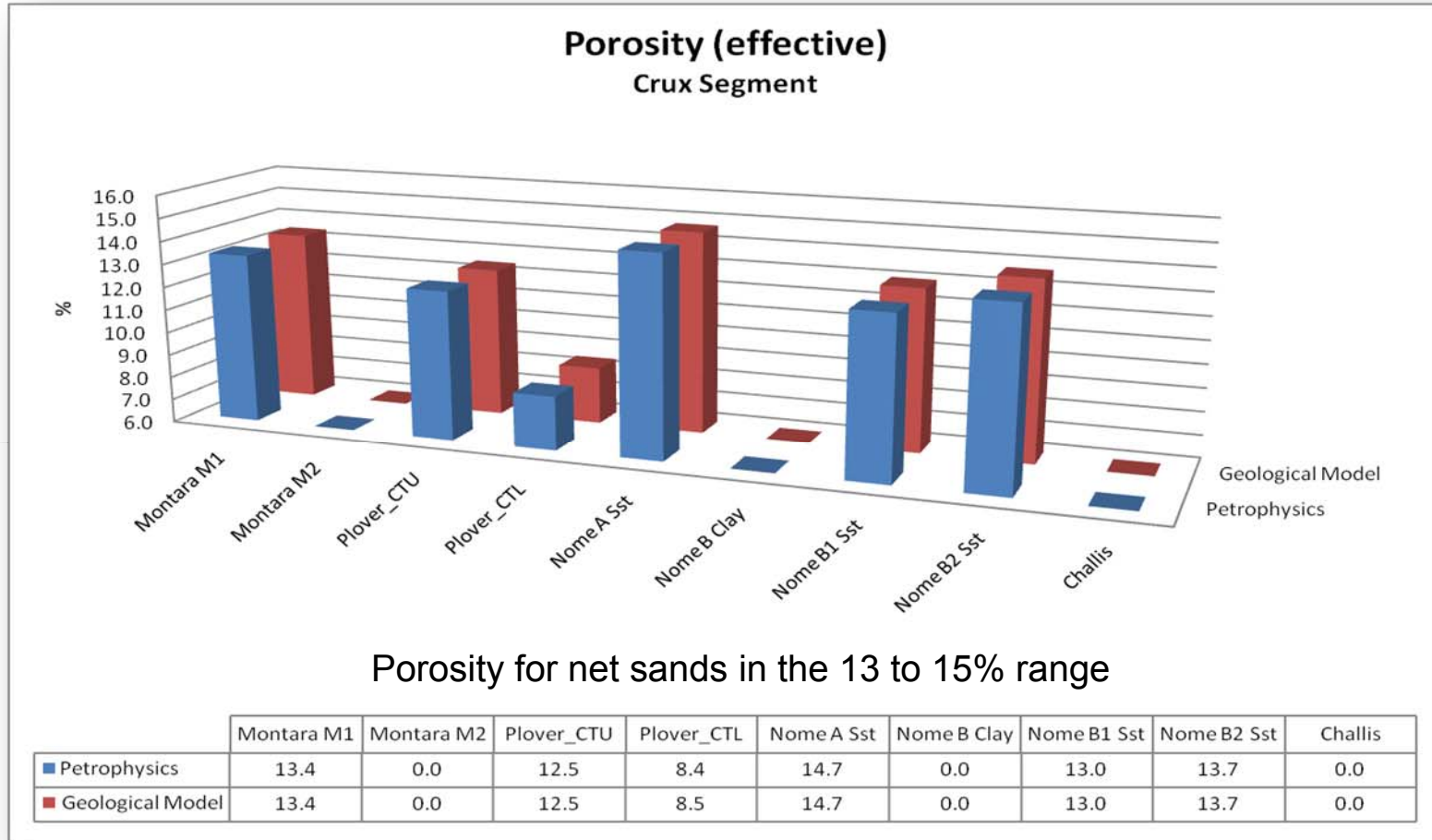
Confidence in G&G data base : Well pressure data



Pressure data indicates a single gas column greater than 300m

Connected sands – no vertical segregation

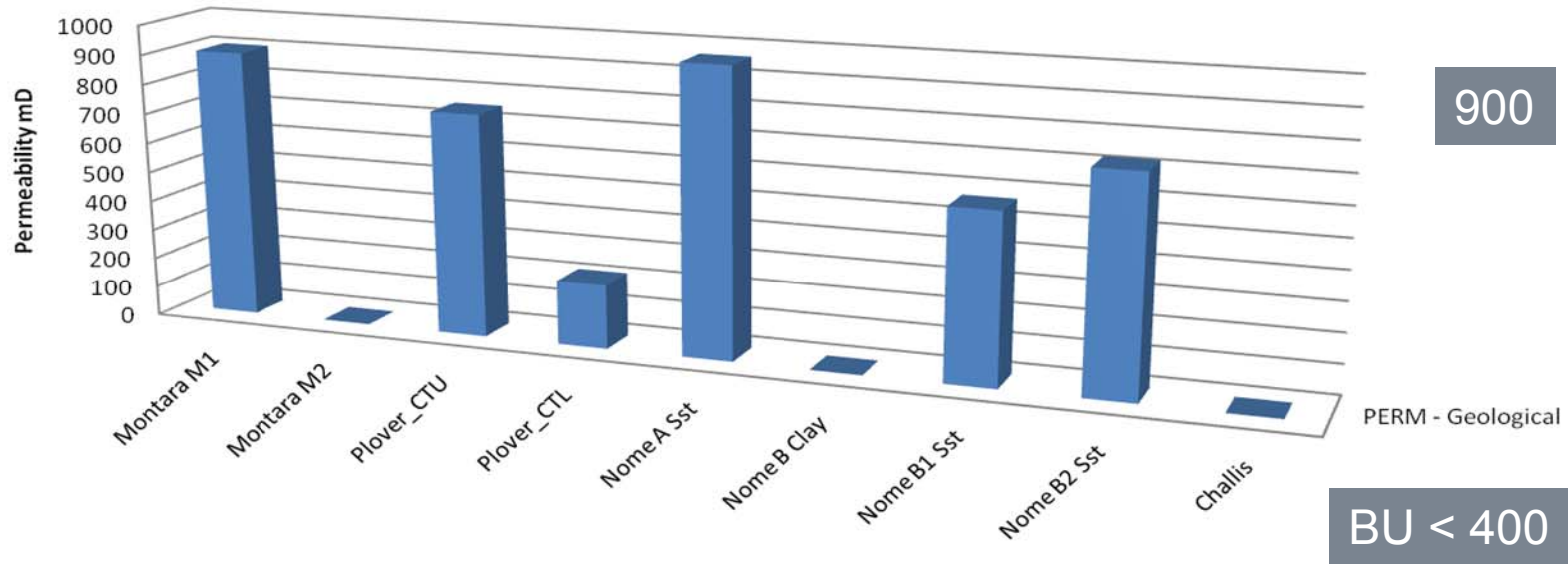
Lower Montara, B Clay and Challis zones are treated as non-net



Log evaluations have been supported by conventional core analysis

Volume of void space as percentage of total volume

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

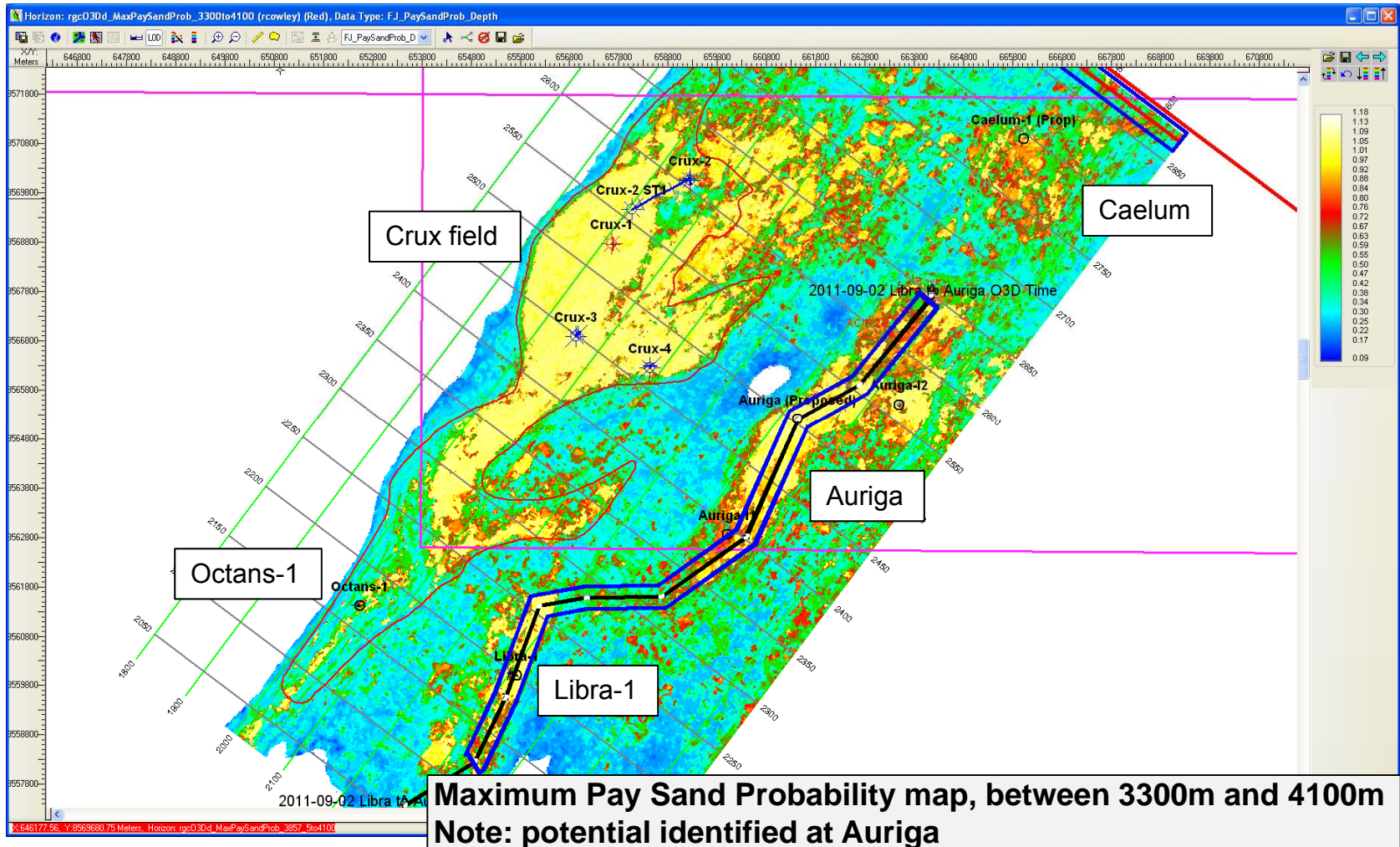
Lower Montara, B Clay and Challis zones are treated as non-net

Measure of resistance to flow

Subsurface: 5

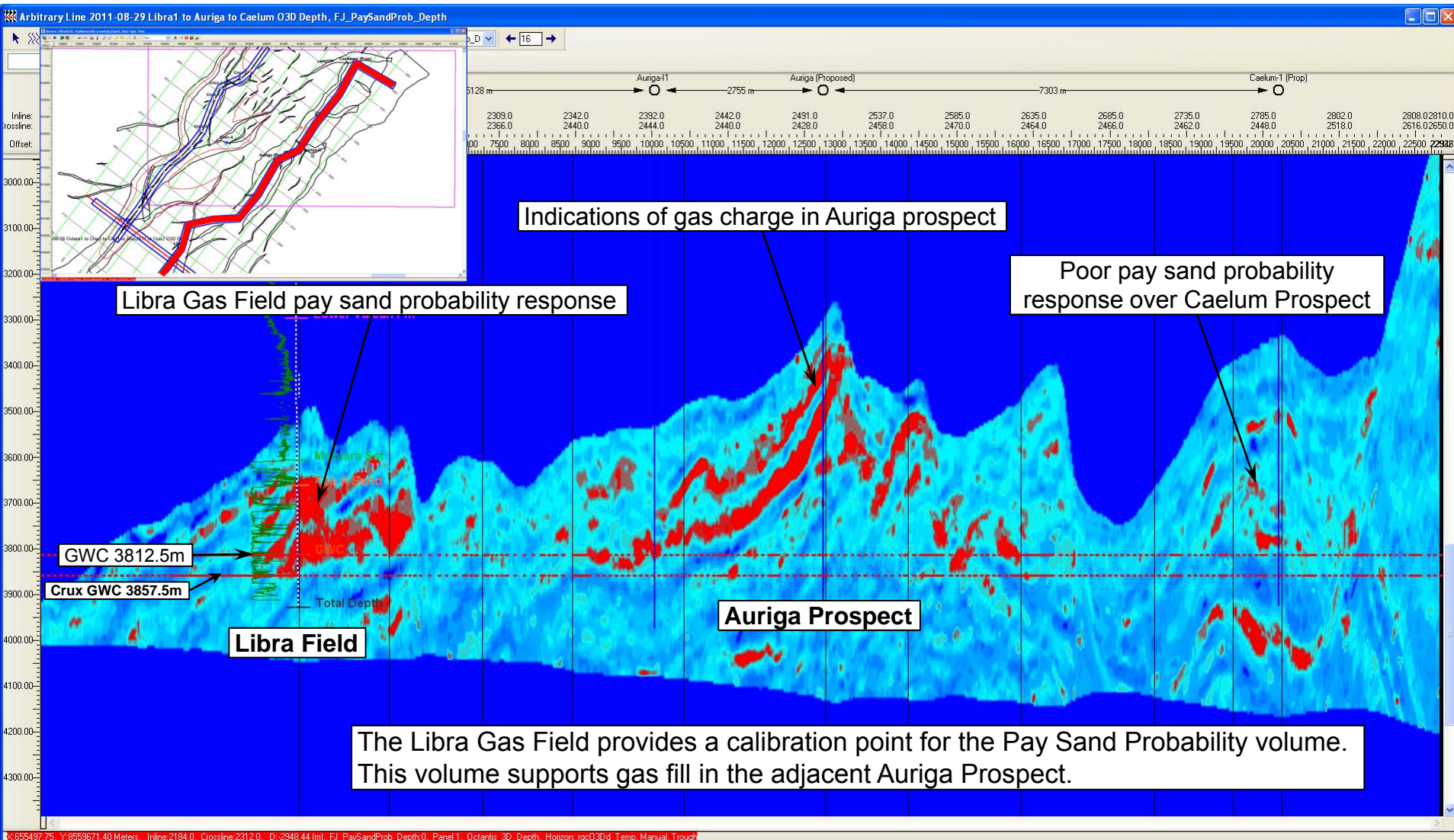
Reservoir quality : Pay prediction

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



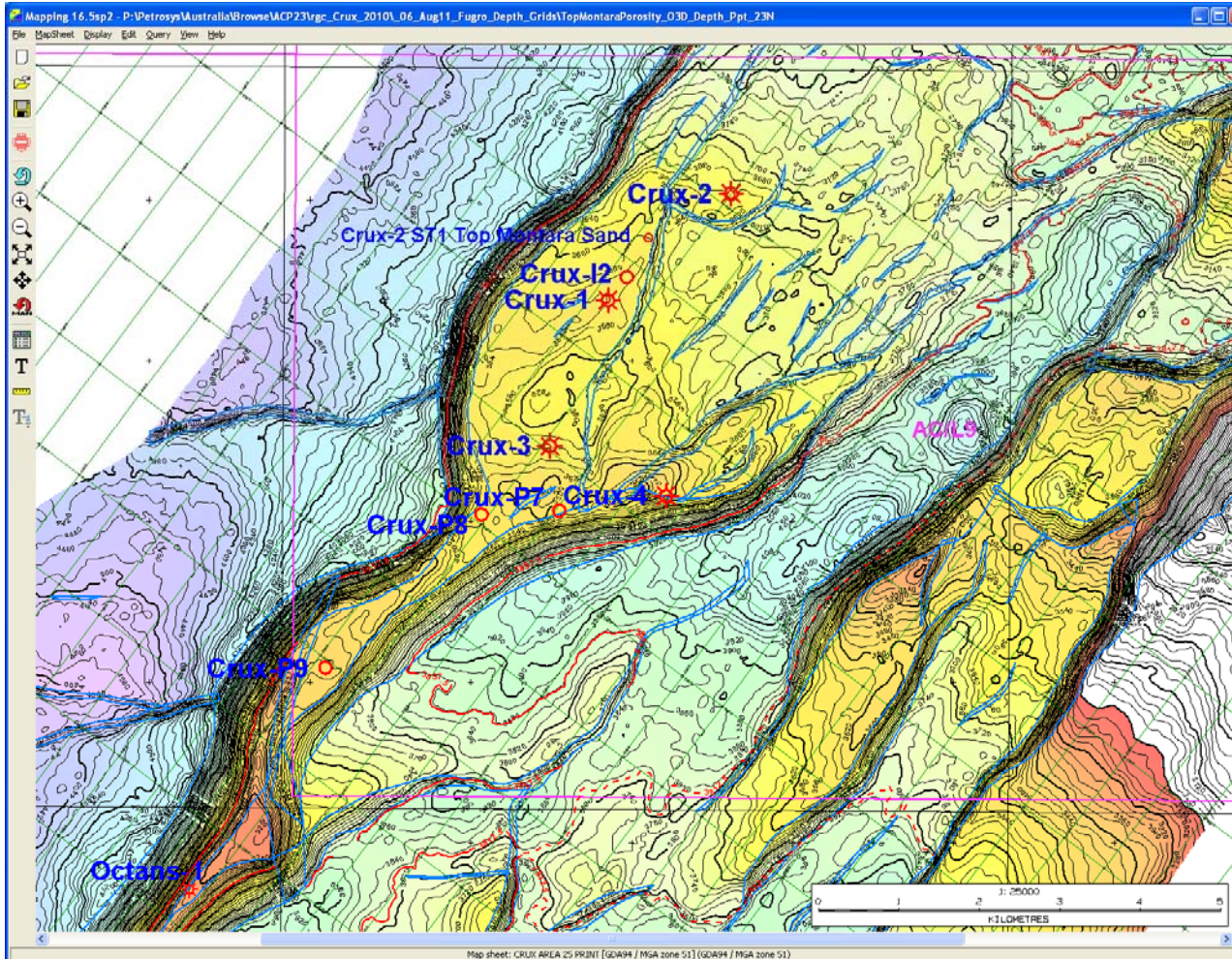
Subsurface: 6

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

South Crux well connected to main body

- Capital Raising in April 2011 allocated \$20 million to pre-FID 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

- 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

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

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