
Amended Longtom Gas Sales Agreement unconditional

Nexus Energy Limited (ASX:NXS) (Nexus) today announces that the agreement with Santos Limited (Santos) to amend the Longtom Agreement (relating to Nexus' 100% owned Longtom gas production asset) has become unconditional following waiver or satisfaction of the conditions precedent referred to in Nexus' 14 May 2013 announcement.

The new Gas Sales Agreement (GSA) comes into effect from today and provides for a revised production profile and pricing structure for delivery of the remaining aggregate contract quantity of 83PJ of gas for the period to 31 December 2018.

The supply requirements under the GSA are expected to be fulfilled by a work-over of the Longtom-4 well and the drilling of Longtom-5 well in late 2014. The GSA also preserves the option for Nexus to supply additional quantities of gas prior to 31 December 2018, further increasing the value of the Longtom asset.

Lucio Della Martina, Managing Director and Chief Executive Officer of Nexus, said,

"In the middle of last year we saw an opportunity to amend the terms of the GSA which would increase the value of Longtom for both us and Santos."

"The amended GSA incorporates more attractive metrics around both delivery and pricing, significantly improving the economics of Longtom-5 for Nexus through accelerated production and revised pricing between 2015 and 2018."

"The repositioning of Longtom enhances the value of the asset and increases its appeal to outside investors. Strong interest has already been received in response to the strategic review that has been initiated to investigate divesting a tranche of Longtom."

Lucio Della Martina
Managing Director & Chief Executive Officer

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