
AC/L9 Crux - Board Approvals and Agreements Executed

Nexus today signed Crux Consolidation Agreements with Shell and Osaka Gas

Nexus CEO Lucio Della Martina said following the execution of the Consolidation agreements.

“The commercial framework is now in place to allow the partners to accelerate exploration and fully assess the range of development options for Crux, including the possibility of establishing a new FLNG facility in the East Browse with Crux gas as the anchor resource. We are delighted to have Shell as operator with access to its breakthrough FLNG technology and expertise to maximise the value potential of the acreage.”

Key points of Crux Consolidation Agreements

- Consolidation agreements signed following Board approvals for new Joint Venture: Nexus 17%, Shell 80% (operator), Osaka Gas 3%
- Joint venture goal to position Crux as a significant hub in East Browse
- A range of development options for Crux to be explored, including the possibility of a new FLNG facility to process Crux gas with the opportunity to process third party gas
- Nexus participation in the LNG supply chain with title to its proportionate share of LNG and liquids
- Put option for Nexus to sell 2% of its participating interest in new Joint Venture for A\$75m to Shell

Transaction Details

Nexus Energy Limited (**Nexus**) advises that documentation for the Crux AC/L9 new Joint Venture for a Shell-led integrated gas and liquids development to commercialise the Crux asset with Shell Development (Australia) Pty Ltd (**Shell**) and Osaka Gas Crux Pty Ltd (**Osaka Gas**) has been executed today following Board approvals.

As previously announced, the participating interests in the new Joint Venture in AC/L9 will be Nexus 17%, Shell 80% (operator) and Osaka Gas 3%. Completion of the transaction for the consolidation of interests for Crux will be subject to only two conditions, namely, Foreign Investment Review Board approvals (Shell and Osaka Gas) and Registration of Title.

Nexus's 17% participating interest enables Nexus monetisation of part of its equity stake to strengthen the balance sheet and to meet the Company's funding requirements. The transaction also provide Nexus with a 12 month put option (post completion) to sell 2% of Nexus's equity interest in the new Joint Venture to Shell for A\$75 million.

Once the transaction is completed, the new Joint Venture will undertake the process to convert the existing Production Licence (AC/L9) to a Retention Lease. This will require a detailed work program which will include technical studies of a range of development options, including a standalone development concept, and exploration drilling of the Auriga prospect targeted for early 2014.

Browse Basin Context

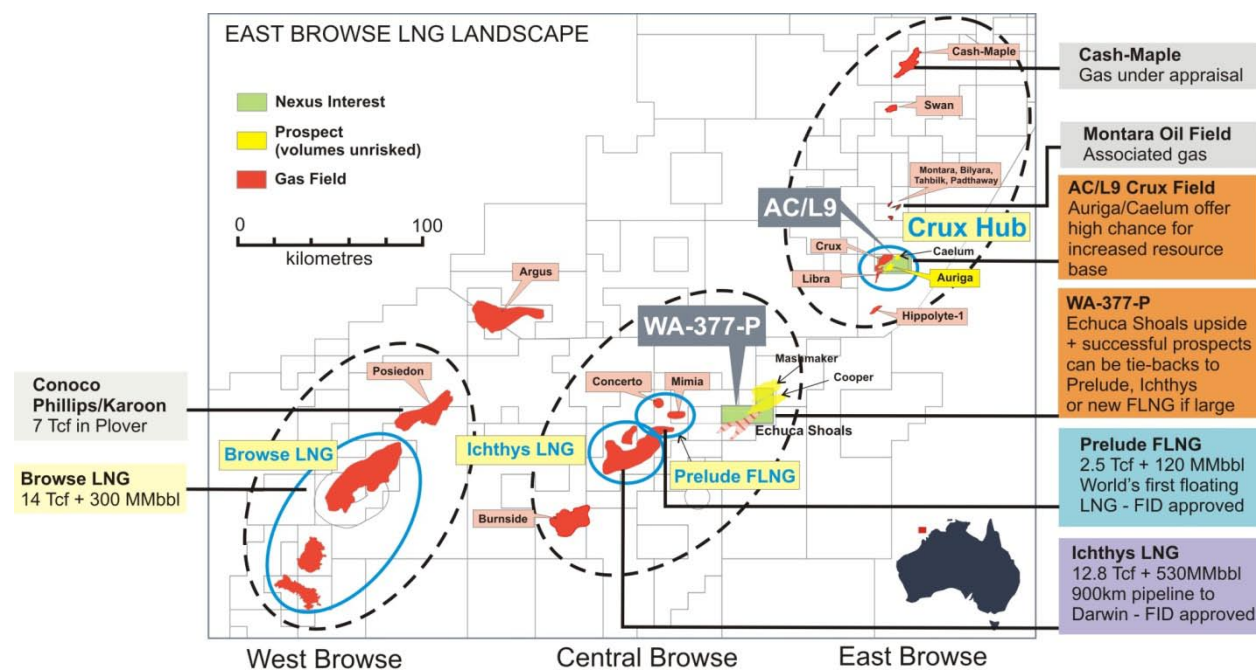
The Browse Basin in Western Australia is a dynamic basin with significant operational and commercial activity taking place. (Refer to Figure 1. East Browse LNG Landscape)

East Browse, which contains the Crux AC/L9 field, is strategically positioned with other discoveries nearby. East Browse is a world class petroleum system with at least four discoveries and is suited to the new floating LNG technology.

Crux has some unique advantages being in moderate water depths, liquids rich with low CO2 content and is in close proximity to the world's most valuable LNG market.

The consolidation of interests in the Crux AC/L9 permit is a transformational event for Nexus and repositions the Company with the potential of developing a new FLNG facility in the East Browse hub with Crux as the anchor resource.

Figure 1. – East Browse LNG Landscape



Note: Quoted volumes for non Nexus assets sourced from public domain information

Lucio Della Martina
Chief Executive Officer

For further information please contact:
Susan Robutti – Company Secretary
Ph: +61 (0)3 9660 2500