
Nexus Energy Investor Presentation
A clear strategy to deliver shareholder value
30 August 2012

Presented by
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The information in this presentation in relation to hydrocarbon reserves at Crux is based on information compiled by Stephen Lane, Principal of Gaffney, Cline and Associates Pte Ltd. Stephen Lane has sufficient experience that is relevant to the style and nature of hydrocarbon resources and prospects under consideration.

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.

A clear strategy to deliver shareholder value

Crux AC/L9 consolidation deal is a transformational event for Nexus

- Shell, Osaka Gas and Nexus interests now aligned to realise maximum value from the development of this important resource
- Now an international LNG value chain participant as well as domestic gas provider
- Attractive portfolio of producing, development and exploration assets

**Strategic
Imperative #1**

Unlock the value of Crux

**Strategic
Imperative #2**

Optimise value from Longtom asset

**Strategic
Imperative #3**

Strengthen balance sheet, secure funding requirements

**Strategic
Imperative #4**

Prepare for growth 2014+

Summary of Crux AC/L9 consolidation transaction

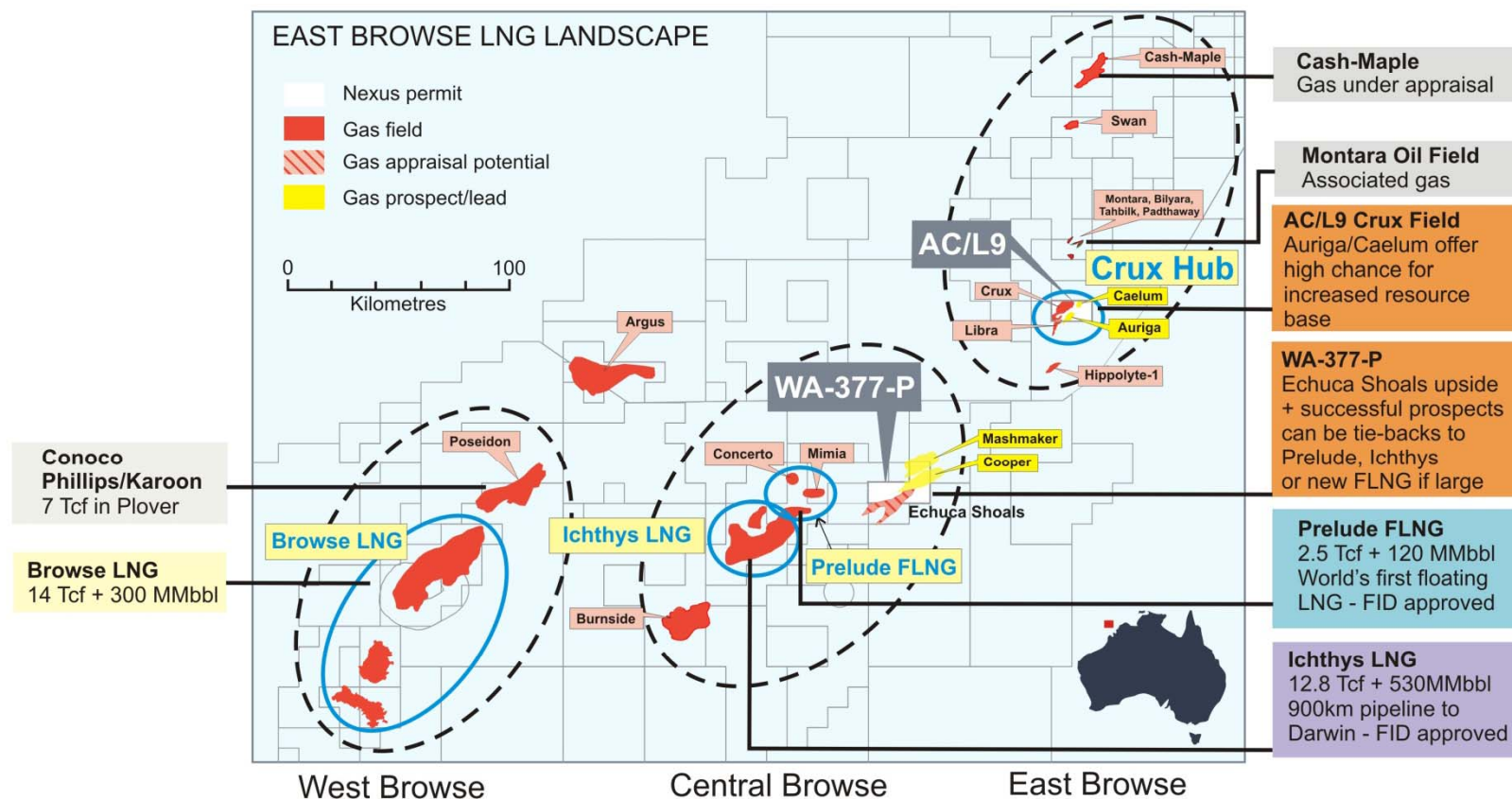
Consolidation of Crux AC/L9 creates LNG and liquids commercialisation opportunities

Key elements of Crux AC/L9 consolidation agreement

- Agreements were signed on 3 August 2012 to create new joint venture
 - Participating interests: Nexus 17%, Shell 80% (operator), Osaka Gas 3%
- Completion of Transaction subject to FIRB and Title registration
 - FIRB approval targeted October
 - Title Registration targeted October
- Nexus entitled to its proportionate share of LNG and liquids
- Nexus has 12 month option (post completion) to sell 2% of its participating interest for \$75m to Shell
 - Implied look through value of \$637.5 m for Nexus' 17% equity interest

Strategic imperative #1: Unlock value from Crux

Browse Basin: a dynamic and prolific gas province with a proven track record of developments



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

Strategic imperative #1: Unlock value from Crux

Nexus has a material 17% interest in Crux: a high quality asset with strong value drivers

Highly strategic location within East Browse Basin, a recognised world class petroleum system

- Moderate water depths and close proximity to export markets
- Characterised by large condensate rich gas resources
- Global interest: 4 major discoveries to date and numerous recent activity

Highly attractive field

- In place volumes (Best Estimate (P50)) of 2.5Tcf/88 mmbbl condensate discovered in Crux field
- Condensate rich gas (CGR ~ 30bbls/mmscf) with low CO₂ and other impurities
- Excellent quality, fully appraised reservoir
- Anchor resource for potential new East Browse gas hub – ideally suited for floating LNG technology

Significant upside potential

- Highly attractive exploration upside with identified Auriga and Caelum prospects in Crux permit
- Third party gas aggregation potential within economic catchment area

Partnership with Shell (operator)

- Access to Shell's global leadership in floating LNG technology
- Low project delivery risk given Shell's execution capabilities
- Shell and Osaka Gas both established participant in global LNG value chain

Strategic imperative #1: Unlock value from Crux

Commercialisation timeline aligned with Retention Lease

Joint Venture intention to position Crux as significant gas and condensate hub in East Browse

- Commercial framework based on LNG development
- Intention to position Crux as basis for standalone FLNG opportunity

Strategically located for gas aggregation strategy

- Various discovered resources in economic catchment area
- Crux commercial framework accommodates third party gas aggregation

Accelerated AC/L9 exploration program offers attractive value upside

- Drilling Auriga prospect planned for early 2014
 - Subject to Retention Lease work program

Retention Lease requires Regulator approved work program

- Subject to Federal Government approval to convert existing Production Licence to Retention Lease
- Retention Lease will be for five years, approval targeted November 2012
 - Joint Venture required to commit to a detailed work program to the Regulatory Authorities

Strategic imperative #2: Optimise value from Longtom asset

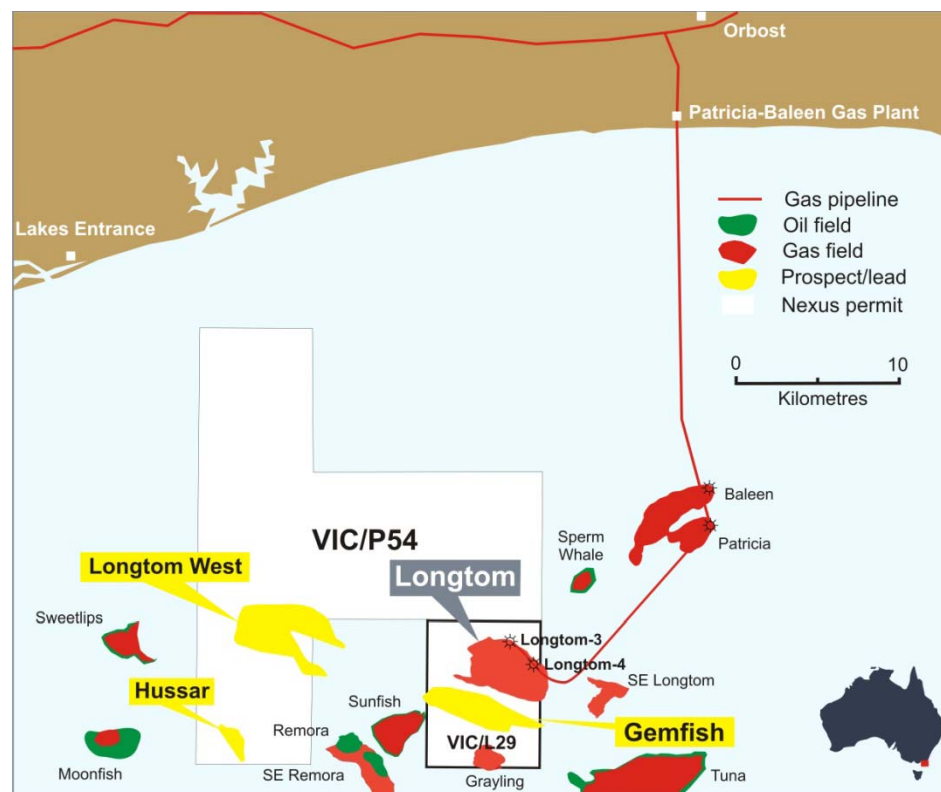
Clear plan to optimise value of Longtom resource through additional development activities

Longtom Reserves

- 2012 Gas Reserves update supported by three years of production data and updated geologic model incorporating revised seismic mapping
- Mature reservoir simulation model used for forecasting
- Independent peer review by RISC
- Independent assessment as at 31 December 2011 by GCA

Gas contract underpinned

- Longtom 4 work over planned for 4Q 2013 (subject to FID)
- Longtom 5 well planned for 4Q 2013 and first gas 2Q 2014 (subject to FID)
- Longtom 6 to be considered for drilling in 2016



Strategic imperative #3: Optimise value from Longtom asset

Debt maturities and capital expenditure funding requirements

Debt maturities

- Longtom Debt Facility – scheduled repayments to 2016
- Senior Unsecured Notes – January 2013 principal of \$32 million with remaining principal repayments 2015 to 2017

Indicative Capital Expenditure Program

- Longtom 4 workover and Longtom 5 drilling
- Crux exploration wells, development and commercial evaluation studies
- Echuca Shoals drilling

Strategic imperative #3: Strengthen balance sheet, secure funding requirements

Optimal combination of funding sources currently being determined to meet requirements

Restructure of existing debt facilities

- Longtom Debt Facility and Senior Unsecured Notes

Operating cash flows from Longtom gas project

- Extend field life and cash flow generation through Longtom 5 and Longtom 4 workover (subject to FID)

Potential sell-down of interest in Crux

- Financial advisers appointed to explore strategic options for Nexus' ownership of Crux
- Under consolidation deal, Nexus has option to sell 2% of Crux to Shell for \$75m

Strategic imperative #4: Prepare for growth 2014+

Current portfolio supports an attractive range of growth opportunities

Pro-active approach to progressing existing identified prospects

Echuca Shoals in Central Browse

- Two gas discovery wells, Echuca Shoals-1 and Fossetmaker-1
- Growth opportunities include appraisal of the Echuca Shoals/Fossetmaker discoveries and exploration prospects Mashmaker & Cooper
- Timing of next well subject to further planning but due to be drilled by March 2015

Gemfish in East Gippsland

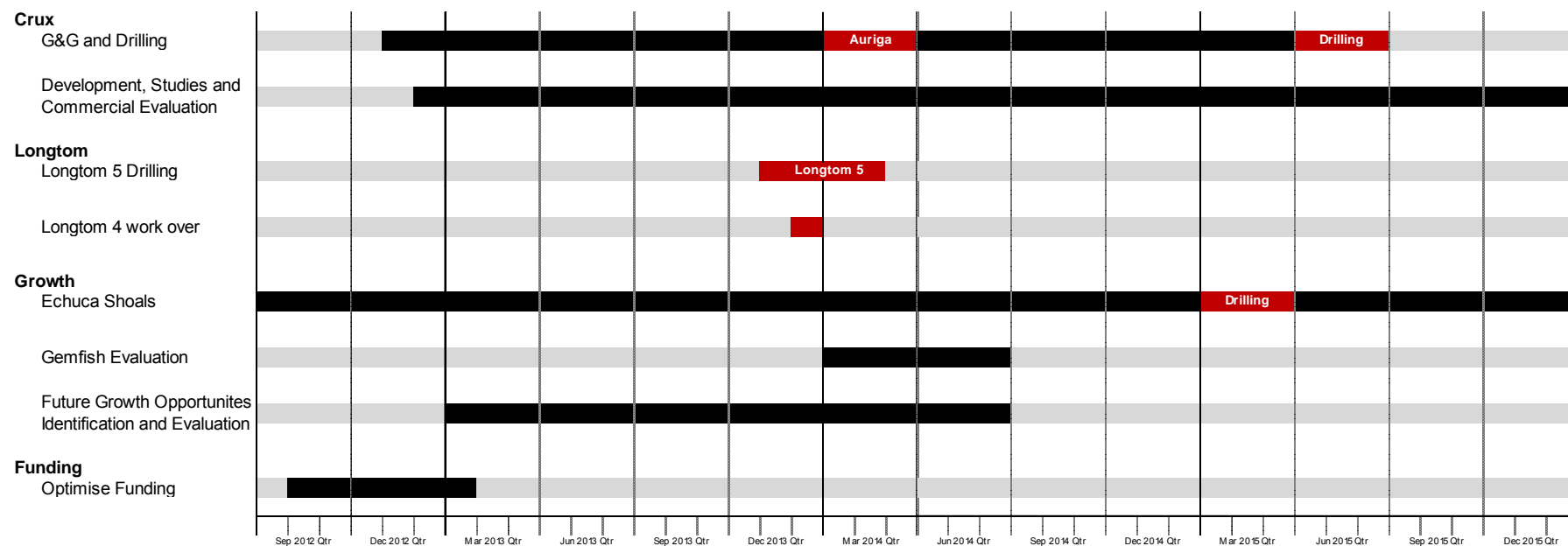
- Golden Beach target, structurally separate from the Longtom field
- Basis of well design ready, regulatory approval process in hand
- Longtom infill drilling first priority, Gemfish timing to be reviewed post Longtom 5 well

Disciplined approach to reviewing future growth opportunities beyond 2014

- Compete where advantage exists
- Match opportunity to core capabilities
- Leverage strong relationships and alliances

Blueprint for action 2013-2015

Near-term plan includes exploration, development and production activities as well as pro-active approach to meeting capital requirements



Conclusion

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