
Crux Retention Lease Acceptance

Nexus Energy Limited (Nexus) advises that the Crux Joint Venture has accepted the offer from the Joint Authority for the issuance and service of a five year Retention Lease.

The Crux Joint Venture, comprising of Nexus Energy WA Pty Ltd (Nexus wholly owned subsidiary) (Nexus WA), Shell Development (Australia) Proprietary Limited (Operator) (Shell) and Osaka Gas Crux Pty Ltd (Osaka Gas), have reviewed and formally accepted the attaching conditions and work program to the Retention Lease offer received from the National Offshore Petroleum Titles Administrator (NOPTA) on 30 January 2013. Ownership in the Crux Joint Venture is Nexus WA 15%, Shell 82% (Operator) and Osaka Gas 3%.

A summary of the detailed work program and associated defined timelines to progress the commercialisation of the Crux asset include:

- Year 1 Seismic reprocessing, inversion and interpretation.
Procurement of long lead items for Auriga well with approvals for well proposal, well design and drilling approvals.
- Year 2 Drilling of Auriga prospect with intent of proving up gas presence.
Plugging and abandonment activities for the Crux-2, Crux-3 and Crux-4 wells.
- Year 3 Subsurface studies identifying further appraisal requirements and commercial negotiations with 3rd party gas titleholders.
Submission of re-evaluation of commercial viability of petroleum production in the lease area, including identification of any potential barriers to commercial viability.
- Year 4 Planning and studies, including conceptual development studies.
- Year 5 Provide a report (within 30 days of start of year 5) outlining the final development concept(s) for the Crux field.

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

"The Retention Lease provides a clear framework, including a detailed work program, for the Crux Joint Venture to meet the government's expectation of the earliest possible commercialisation of the Crux asset. As part of the work program the Joint Venture will finalise the development concept(s) with a view to progressing to a final investment decision. This preserves the potential for a standalone FLNG facility in the East Browse and a significant Crux hub. The acceptance of the Retention Lease offer is an important milestone towards unlocking the value of our investment in Crux."

Lucio Della Martina
Managing Director & Chief Executive Officer

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