



4 September 2007

The Manager, Companies  
Australian Stock Exchange

## **Nexus Energy Limited Good Oil Conference Presentation**

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Please find attached a copy of today's presentation at the Good Oil Conference held in Fremantle.

Yours sincerely

**Susan Robutti**  
**Company Secretary**

The background of the slide is a photograph of an oil rig. A person in a hard hat and safety vest is silhouetted against a bright, orange and yellow light source, likely the sun, in the distance. The rig's structure, including pipes and railings, is visible in the foreground and middle ground.

# Nexus Energy Limited

## Good Oil Presentation

**4 September 2007**

Presented by

**Ian Tchacos**

**Managing Director**

## Presentation disclaimer

### Important notice

This presentation contains certain statements which may constitute "forward-looking statements". Such statements are only predictions and are subject to inherent risks and uncertainties which could cause actual values, results, performance or achievements to differ materially from those expressed, implied or projected in any forward-looking statements.

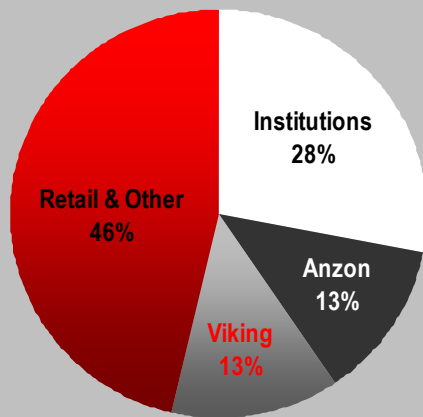
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# Corporate Summary

## Capital Structure

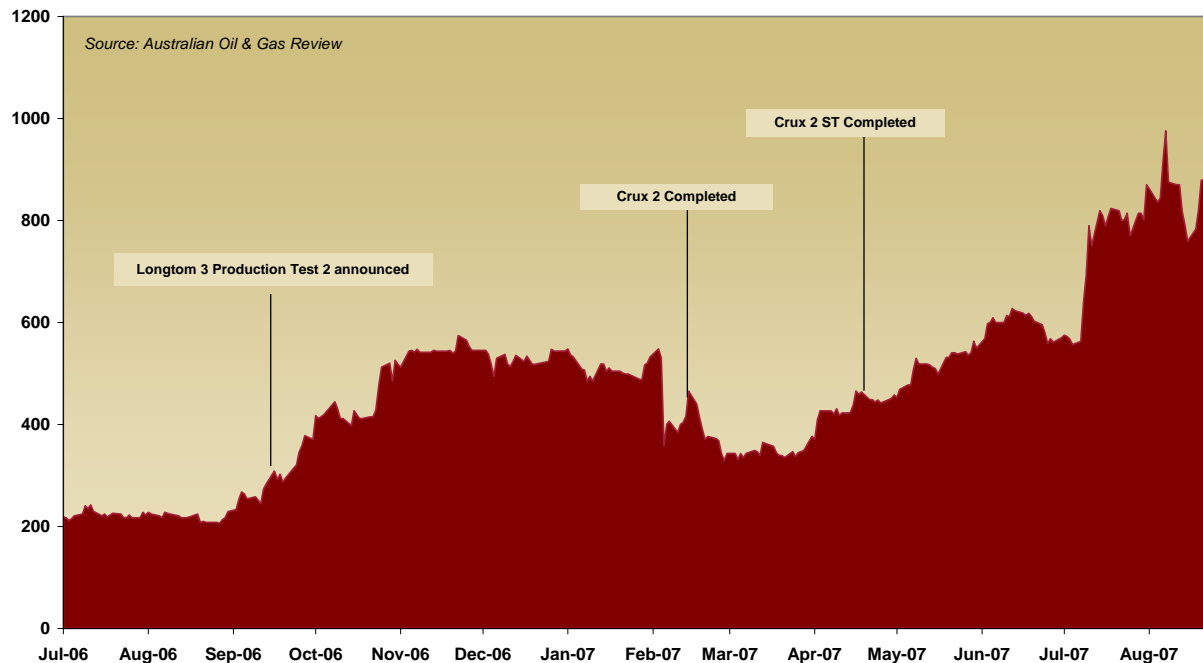
❖ Shares on issue:	527 million	❖ Debt as at 31 July 2007:	\$40 million
❖ Options on issue:	13.9 million	❖ Share price as at 27 August 2007:	\$1.50 per share
❖ Cash as at 31 July 2007:	\$110 million	❖ Market capitalisation:	\$790 million

## Investor by Category



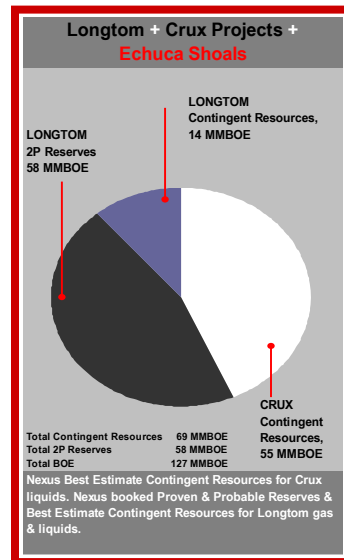
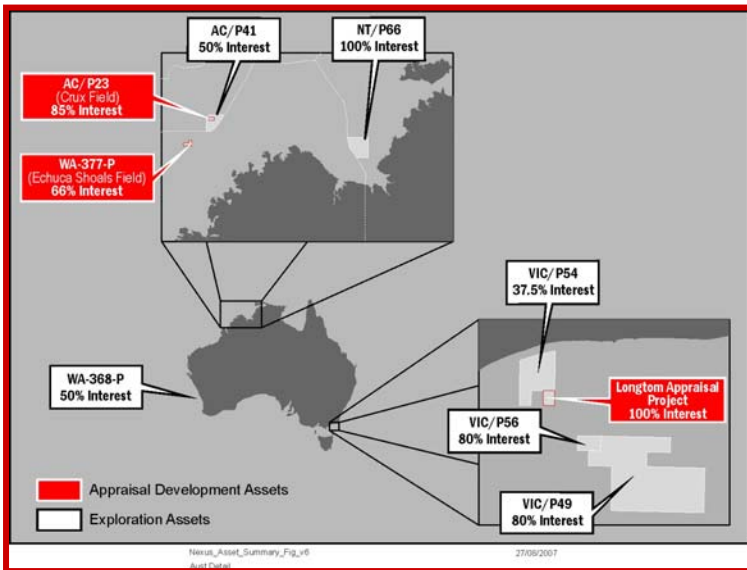
Position as at 31 July 2007

Nexus market capitalisation growth - since July 2006 (\$m)



# Key Assets Goals

## Three Development / Appraisal projects & five active exploration permits



**Build Significant Production Base**



**Add to Reserves Base**

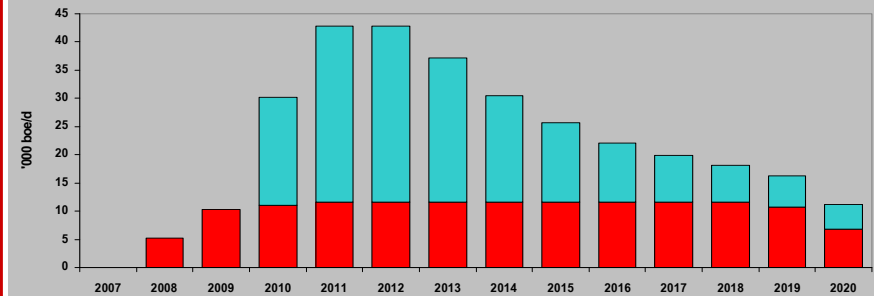


**Organic Growth thru Exploration**

# Key Corporate Goals

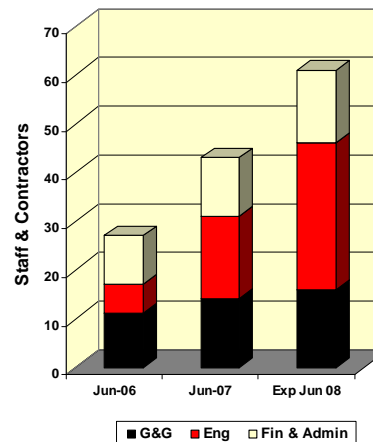
- ❖ Bring large reserves and resource base to production
- ❖ Secure multiple funding sources to fuel asset growth
- ❖ Expand operator capability to achieve asset objectives
- ❖ Accelerate portfolio growth by adding production via acquisitions or mergers
- ❖ Expand industry relationships >> capital, skills, market and rigs

Nexus Energy 100% project most likely case production profile  
Crux 65 mmbbls and Longtom 350 PJ "contract" case

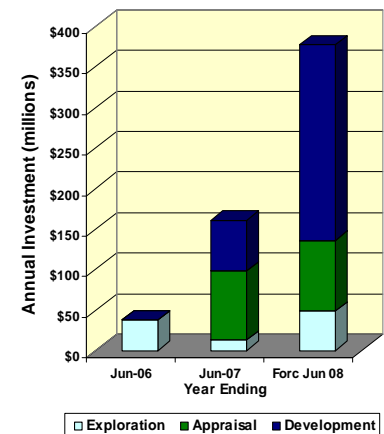


Footnotes: Based on Managements Best Estimates only Projects -  
Most Likely Production Profile 100% basis Crux profile assumes production of 65 mmbbls (100%) Longtom Gas contract profile 350PJ (100%)  
Conversion rates: Condensate 1 bbl = 1 boe 6.6PJ = 1 mmbob

## Organisational Development



## Investment Capacity



# Identified Sources of Funds – 2007/08

## Equity

- Cornerstone investor placement for A\$93m
- Exercise of existing options (~ A\$10 million)

## Debt

- Longtom project finance from BOSI totalling A\$160 million

## Asset Sale

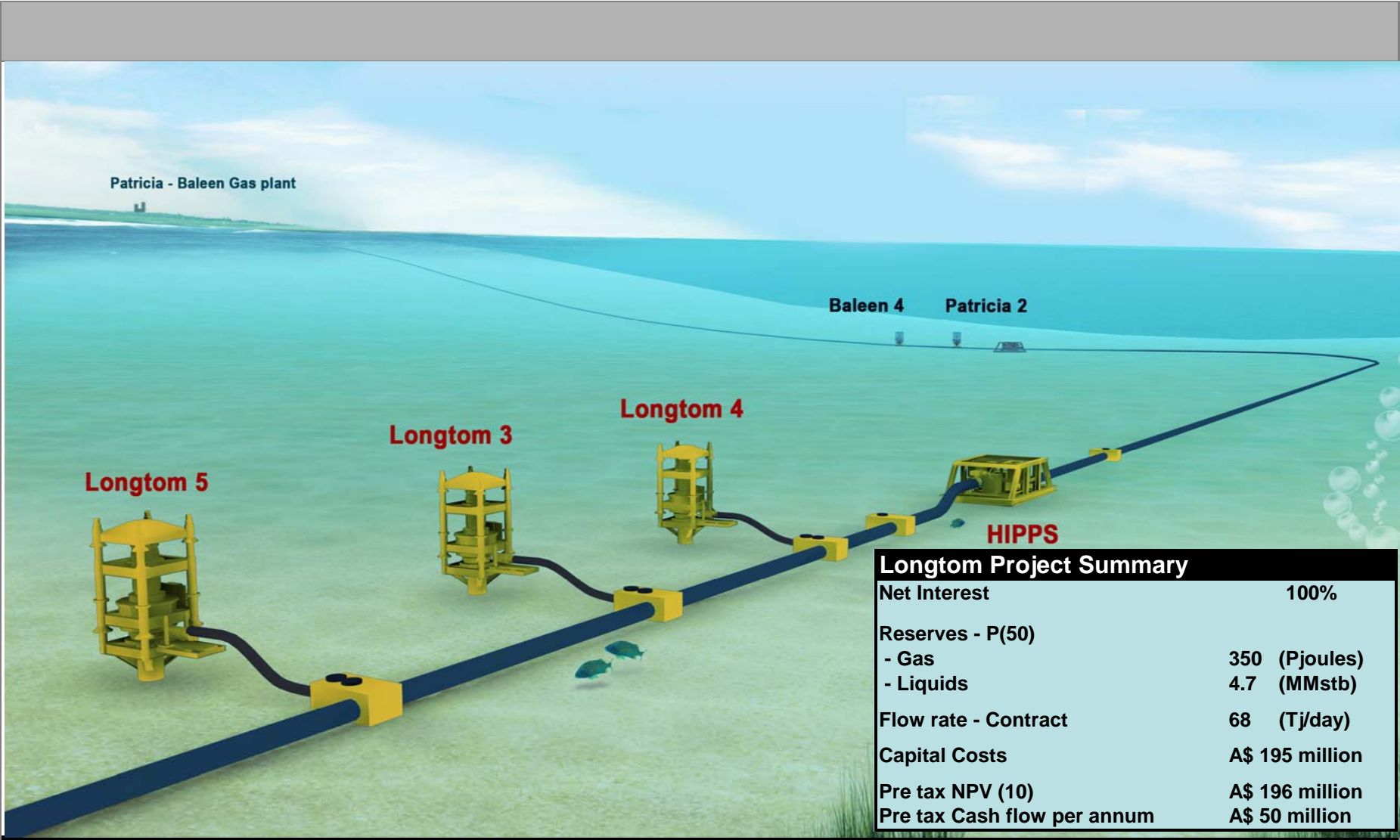
- Sale of 15% interest in Crux liquids to Osaka Gas for A\$75 million

## Farmout

- WA-377-P Shell farmin, US\$5 million cash payment, US\$30 million of first appraisal well and US\$25 million of any second appraisal well

**Total identified funds - *approx. A\$390 million available for 2007/08 program***

# Longtom Project Schematic



Longtom Project Summary	
Net Interest	100%
Reserves - P(50)	
- Gas	350 (Pjoules)
- Liquids	4.7 (MMstb)
Flow rate - Contract	68 (Tj/day)
Capital Costs	A\$ 195 million
Pre tax NPV (10)	A\$ 196 million
Pre tax Cash flow per annum	A\$ 50 million

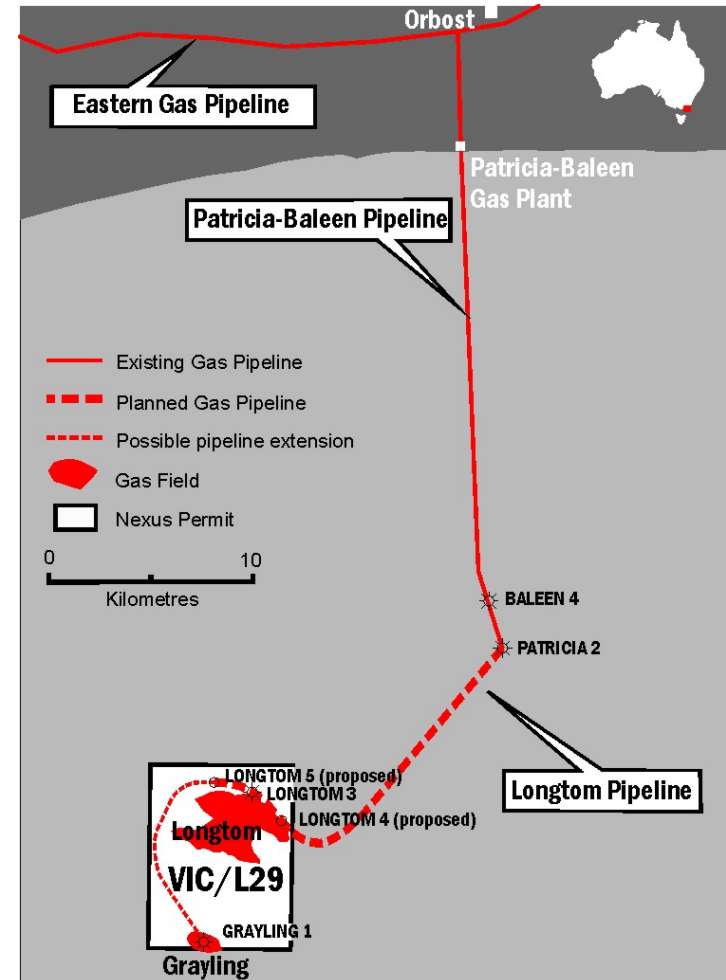
# Longtom Project Summary

## Progress to date

- ❖ FID (April 2007) and project finance for 70% of project
- ❖ All service and equipment contracts in place
- ❖ Production licence offered by authorities

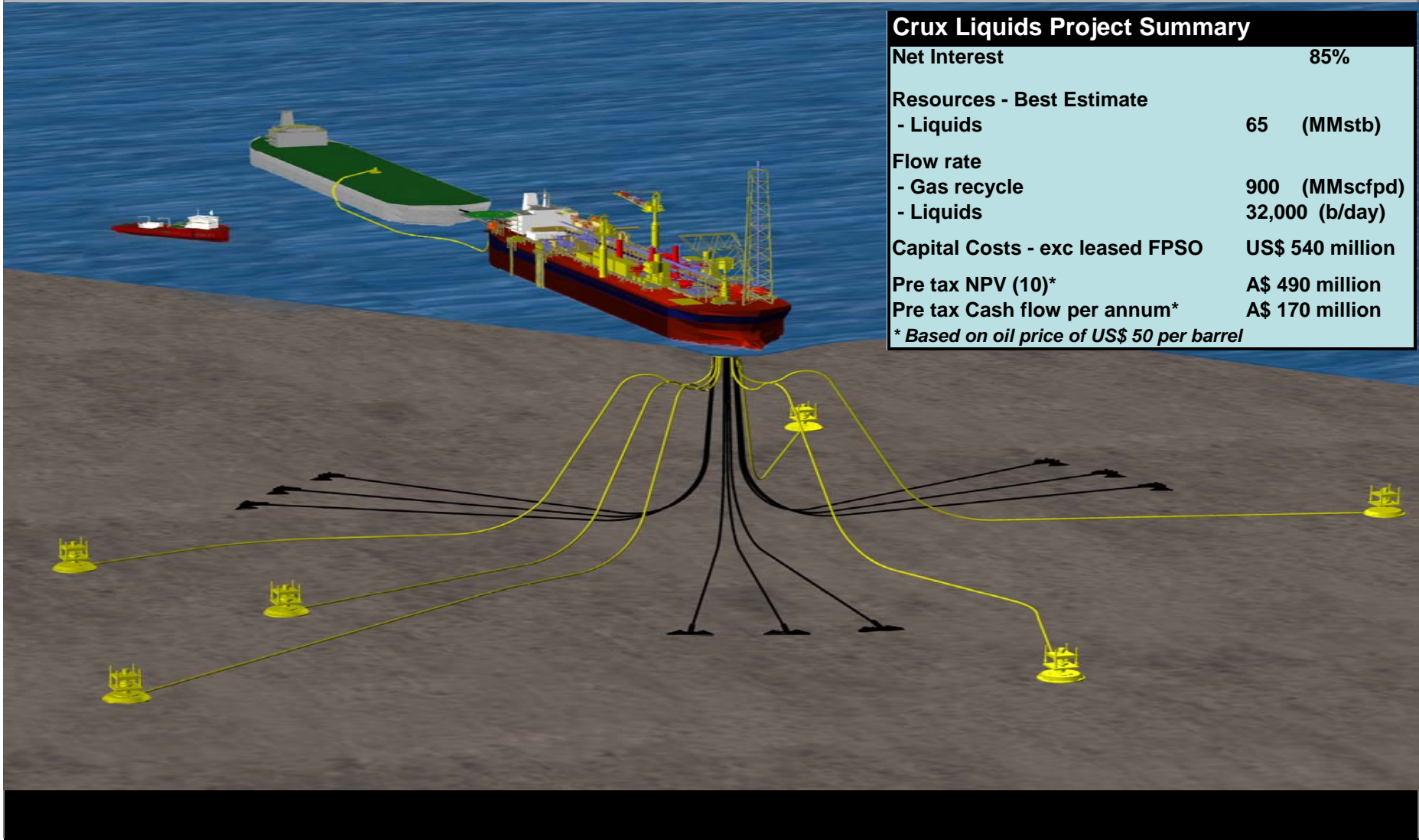
## Key future milestones

- ❖ Production licence acceptance - immediately
- ❖ Drilling and pipeline installation – Q1 and Q2 2008
- ❖ Scheduled first gas – Q3 2008
- ❖ Further appraisal drilling to capture additional gas contract opportunities – Q3 2008



# Crux Liquids Project

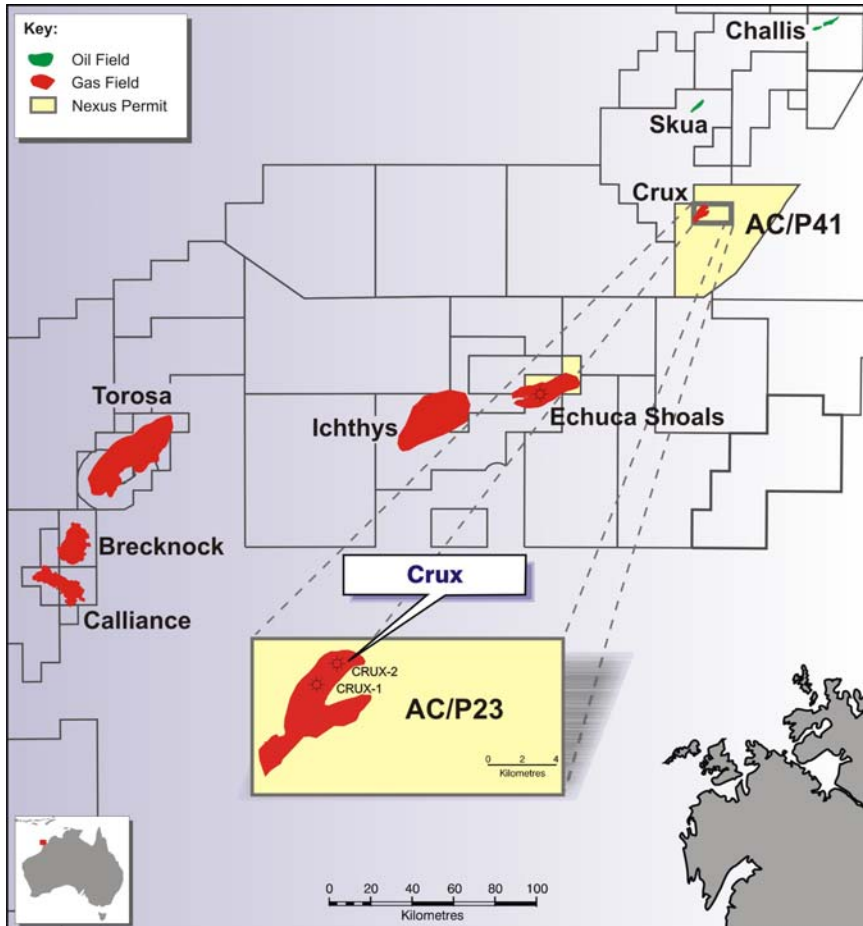
## Floating production storage and off loading system



### Crux Liquids Project Summary

Net Interest	85%
Resources - Best Estimate	
- Liquids	65 (MMstb)
Flow rate	
- Gas recycle	900 (MMscfpd)
- Liquids	32,000 (b/day)
Capital Costs - exc leased FPSO	US\$ 540 million
Pre tax NPV (10)*	A\$ 490 million
Pre tax Cash flow per annum*	A\$ 170 million
* Based on oil price of US\$ 50 per barrel	

# Crux Liquids Project



## Field location

- ❖ 700 km west of Darwin
- ❖ 600 km north of Broome

## Field history

- ❖ Discovered – *April 2000 (Nippon Oil)*
- ❖ Nexus secured purchase option – *October 2004*
- ❖ **Nexus purchase field – January 2006**
- ❖ Complete new 3D seismic – *March 2006*
- ❖ Commence FEED – *April 2006*
- ❖ **Sold gas to Shell – June 2006**
- ❖ **FEED + Appraisal Drilling – Q1 2007**
- ❖ **Sold 15% interest Osaka Gas – *Sept 2007***

# Crux Project Summary

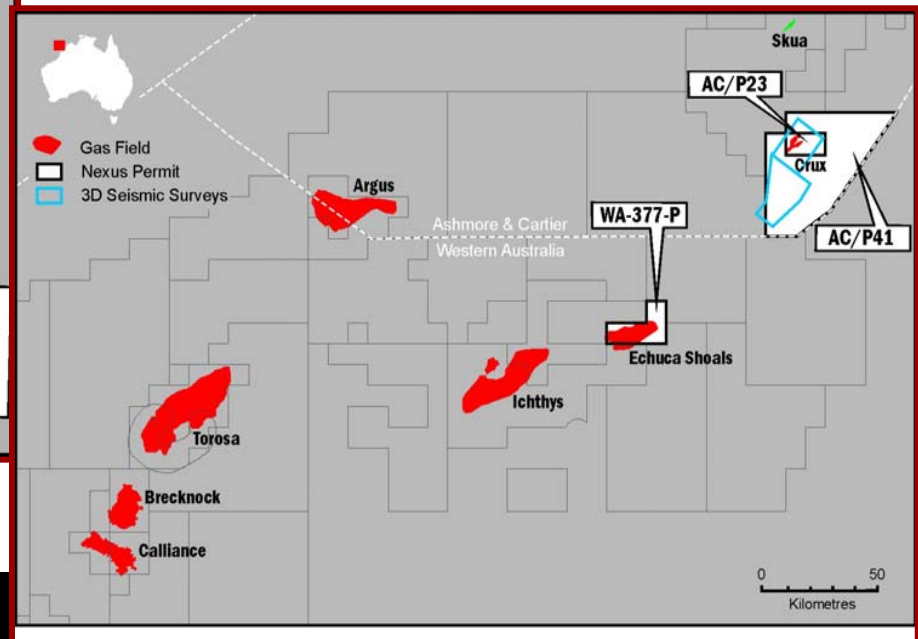
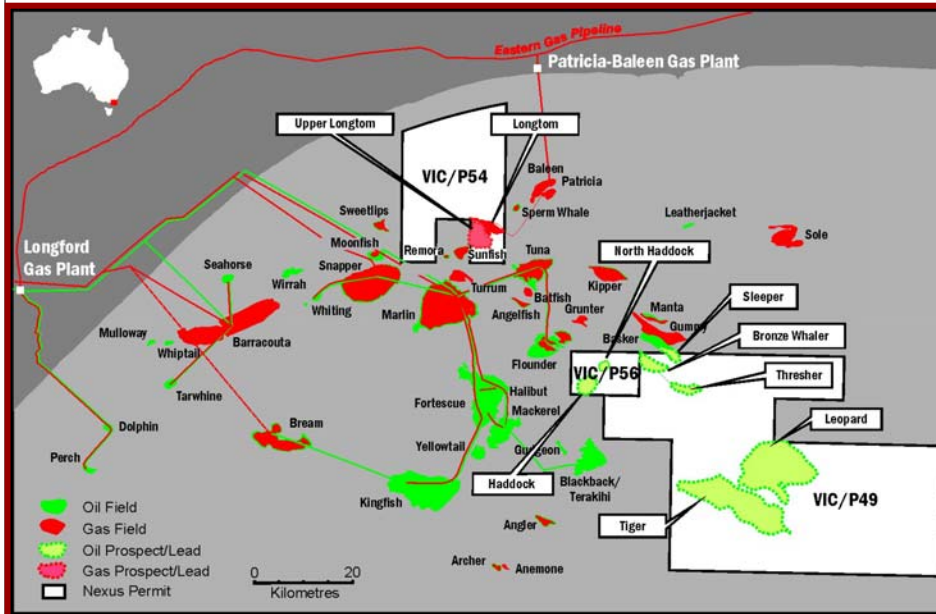
## Progress to date

- ❖ Drilled Crux-2 and Crux-2 ST1 in April 2007
- ❖ FEED completed and contractors pre qualified in February 2007
- ❖ Finalise design and price for long lead items
- ❖ Progressing FPSO solution with Viking

## Key future milestones

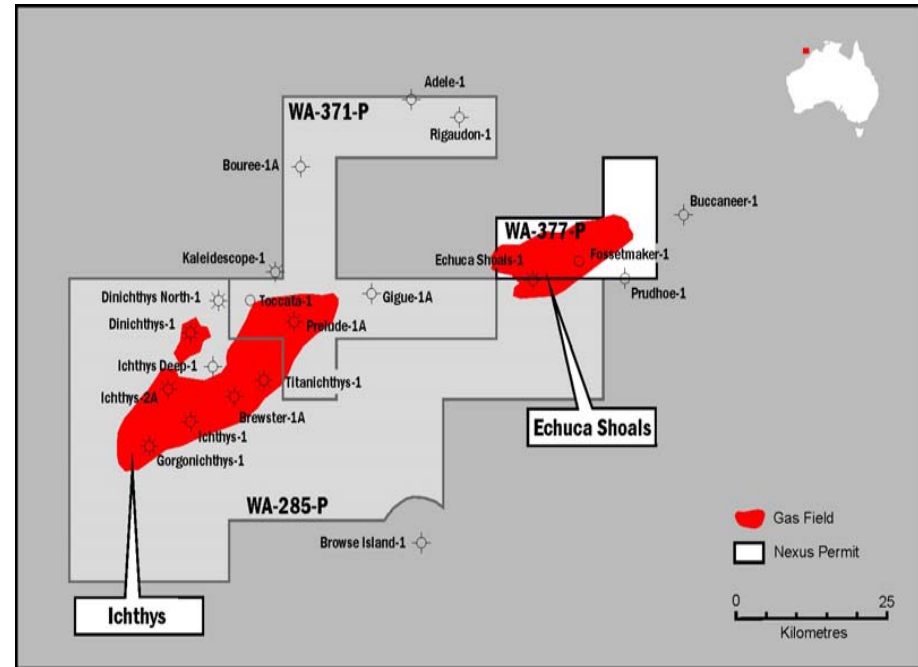
- ❖ Obtain revised independent resource estimate
- ❖ Order long lead items to maintain project schedule
- ❖ Evaluate Viking fully termed FPSO proposal
- ❖ Secure project finance
- ❖ Building project execution team ahead of FID
- ❖ Declare FID and book reserves by Q2 2008
- ❖ Further appraisal drilling in Q1 2008 to further define resource

- ❖ Gippsland Domestic Gas + Near Field Exploration + Deep Water (high reward / high risk)
- ❖ Crux Expansion + Browse LNG
- ❖ International Expansion – Exploration and Appraisal Opportunities



# Echuca Shoals Update

- ❖ Shell have paid US\$ 5 million cash and the cost of drilling Fossetmaker -1 for 34% of part of the permit
- ❖ Fossetmaker-1 drilled 7 kms from the Echuca Shoals 1 discovery well to test stratigraphic trap
- ❖ Echuca Shoals-1 intersected a 70 metre gross gas column without intersecting a gas water contact
- ❖ Fossetmaker-1 initial results
  - 10 metres of gross pay below the Echuca Shoals gas column
  - Unable to determine pressure communication with Echuca Shoals-1 gas due to tight reservoir
- ❖ Substantial up dip potential where sand porosity may be preserved must be evaluated



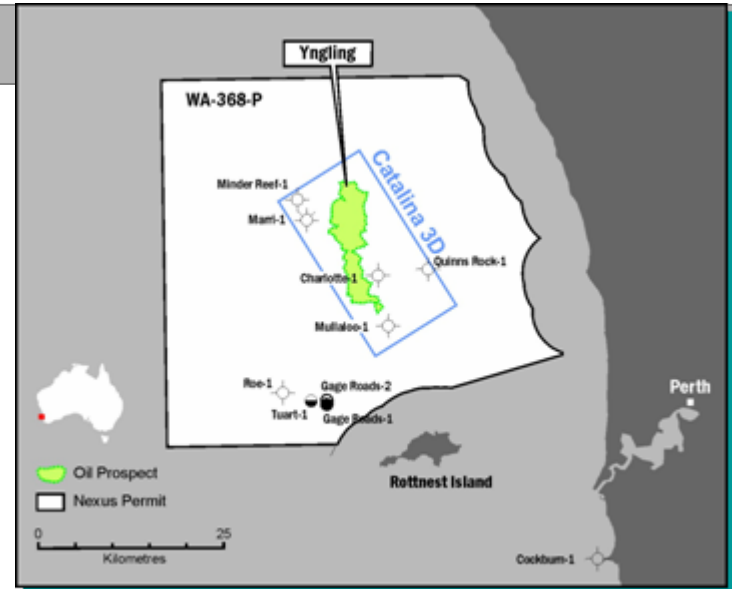
**Resource potential to be determined by further technical work and additional appraisal. Analysis by Nexus of Echuca Shoals 1 indicates resource may have a high liquids content**

# Other Exploration Activities

## WA-368-P

– Vlaming Sub Basin (Nexus 50% working interest)

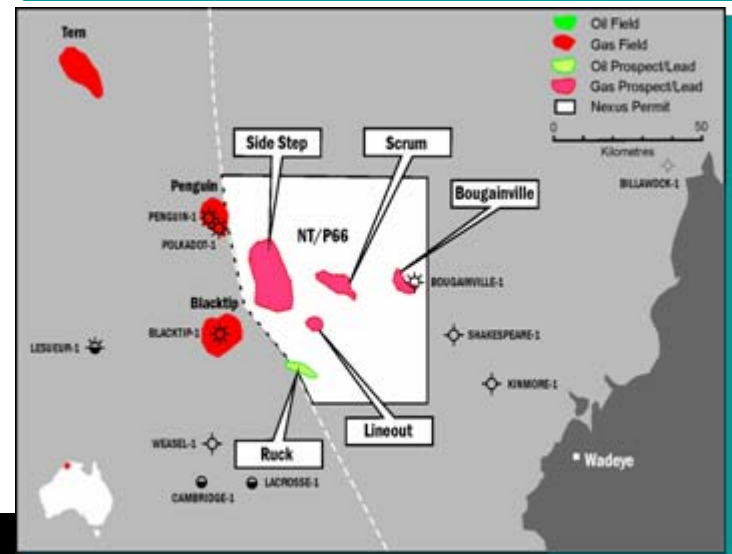
- ❖ 3D seismic acquired in Q3 2006
- ❖ Drill >100 mmbbl Yngling prospect in mid 2008



## NTP/66

– Bonaparte Gulf (Nexus 100% working interest)

- ❖ Significant Potential adjacent to new infrastructure
- ❖ Drilling Q2 2008



# Summary of Drilling Activity

## Development, appraisal and exploration programme

Summary of Scheduled Drilling Activity																			
Permit	Well/Prospect	Type of Well	2007					2008											
			Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
WA-377-P	Fossetmaker-1	Appraisal	■																
AC/P23	Crux-3 & 4	Appraisal						■	■										
AC/P41	Prospect to be advised	Exploration						■											
NT/P66	Side Step-1	Exploration													■				
VIC/P54	Longtom-4	Development												■					
WA-377-P	Fossetmaker-2	Appraisal																■	
AC/P41	Prospect to be advised	Exploration																	■
WA-368-P	Yngling-1	Exploration																	■
VIC/P49	Sleeper/Bronze Whaler	Exploration																■	



Firm well with rig slot



Scheduled well without current rig slot

**Active program – 8 firm rig slots, up to 12 wells in total**

# 2007/08 Key Milestones

## Summary of short term milestones

- ❖ Echuca Shoals drilling results → **early September 2007**
- ❖ Crux independent export resource estimates → **end September 2007**
- ❖ Crux-3 & 4 drilling → **Jan/Feb 2008**
- ❖ AC/P41 exploration drilling → **Mid January 2008**
- ❖ Crux FID → **May 2008**
- ❖ Longtom-4 development drilling (+ Longtom Upper?) → **June 2008**
- ❖ NT/P66 exploration well → **July 2008**



▶ Large Resource Base

▶ Pipeline of Projects

▶ Long Lived Production



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