

12th May 2015

JPDA 06-103 PSC Update

Oilex Limited, in its capacity as Operator, on behalf of the Joint Venture Participants in the Joint Petroleum Development Area (“JPDA”) 06-103 Production Sharing Contract (“PSC”), submitted a request to the Autoridade Nacional do Petróleo (“ANP”) to terminate the PSC by mutual agreement in accordance with its terms and without penalty or claim on 12th July, 2013 (“Request to Terminate”).

The Request to Terminate followed Joint Venture concerns over the security of PSC tenure as a result of developments within the JPDA, including JPDA 06-103, which are outside of the control and influence of the Joint Venture Participants. These included the:

- existence of separate unilateral rights to terminate the Certain Maritime Arrangements in the Timor Sea Treaty (CMATS) arising in 2013 in favour of both the Government of Timor Leste and the Government of Australia; and
- formal arbitration proceedings being initiated by the Timor Leste Government against the Government of Australia to have the CMATS declared void *ab initio*.

The ANP initially suspended the JPDA 06-103 PSC for 3 months on 15 January, 2014 to enable a response to the Request to Terminate to be determined, and the suspension period has been further extended through a series of successive 3 month extensions. The PSC is currently suspended until 15 July 2015.

The ANP has now responded to the Joint Venture in a letter dated 11th May 2015 and advised that the Request to Terminate has been rejected. The ANP has further indicated their intention to serve notice to terminate under the terms of the PSC. Such notice has not yet been received.

The Joint Venture will consider the ANP's response to ascertain the most appropriate way forward.

The Joint Venture partners in JPDA 06-103 are:

Pan Pacific Petroleum (JPDA 06-103) Pty Ltd	15%
Oilex (JPDA 06-103) Ltd	10%
Global Energy Inc	20%
GSPC (JPDA) Ltd	20%
Bharat PetroResources JPDA Limited	20%
Japan Energy E&P JPDA Pty Ltd	15%

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