

## **Partners in JPDA 06-103 Receive Notice of Intent from ANP to Terminate PSC by Oilex Ltd.**

Press Release 5/15/2015

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Oilex Ltd., 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) off northwest Australia, revealed Thursday that it has received a Notice of Intent to Terminate the PSC (Notice) from the Autoridade Nacional do Petroleo (ANP). The Notice follows on from the recent rejection by the ANP of the Joint Venture Request to Terminate the PSC by mutual agreement, in good standing and without penalty (Request to Terminate).

The Notice asserts a monetary claim against the Joint Venture for payment of the estimated cost of exploration activities not carried out in 2013 and certain local content obligations set out in the PSC. The total amount sought to be recovered by the ANP in the Notice is approximately \$17 million (Oilex share \$1.7 million). The Company has not provided for a monetary settlement in its accounts and given the significant overpayment in the work program would not anticipate making such a provision.

The Joint Venture has previously requested credit for excess expenditure on the approved work program in the amount of circa \$56 million and this issue remains unresolved. The Notice does not include any reference to, nor allowance for, credit for excess monies which have been spent by the Joint Venture during the PSC term. Oilex considers such excess expenditure should be included as part of any financial assessment incorporated in the termination process.

The ANP has requested the Joint Venture submit a written response to the Notice by June 12. In accordance with this request, the Operator, and the Joint Venture, will review the Notice and deliver a formal response within the specified period.

The PSC remains in formal suspension until July 15.

## **Background**

The Request to Terminate was made due to Joint Venture concerns as to the security of PSC tenure as a result of separate unilateral rights to terminate the Certain Maritime Arrangements in the Timor Sea (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 CMATS declared void ab initio.

These matters remain unresolved at present.

The Joint Venture Participants in JPDA 06-103 are:

- Oilex (JPDA 06-103) Ltd. (Operator) - 10 percent
- Japan Energy E&P JPDA Pty Ltd. - 15 percent
- GSPC (JPDA) Limited - 20 percent
- Videocon JPDA 06-103 Limited - 20 percent
- Bharat PetroResources JPDA Ltd. - 20 percent
- Pan Pacific Petroleum (JPDA 06-103) Pty Ltd. - 15 percent

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