

NOVUS PETROLEUM LIMITED

ABN 17 067 777 440

RELEASE TO THE AUSTRALIAN STOCK EXCHANGE

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NEW GAS SALES AGREEMENT FOR BRANTAS

Summary

Novus Petroleum today announced that it has signed a 'Principles of GSA' agreement for the delivery of natural gas from the Brantas PSC to PGN, the national gas distributor in Indonesia. The agreement provides for sales of up to 80 mmscfd until the end of 2007 at higher gas price than is currently being obtained.

Details

The 'Principles of GSA' agreement was signed on 19 July 2003 between the Brantas PSC and PGN at a signing ceremony in Bali which was attended by the Indonesian Minister of Energy and Mineral Resources, Purnomo Yusgiantoro.

Under the agreement, the Brantas PSC will undertake to supply up to 80 mmscfd on a reasonable endeavours basis until the end of 2007. Current production from the Wunut field has averaged 45 mmscfd, although production has intermittently been as high as 55 mmscfd during periods of high demand. As a result of the new agreement, Wunut field deliverability will be expanded through the drilling of additional development wells and some expansion to the existing facilities. The additional cost of the development is anticipated to be under US\$4 million net to Novus.

Dr Bob Williams, CEO of Novus Petroleum, said, "Even before this gas sales agreement the performance of Brantas and the growth in demand had been more than satisfactory, with the Wunut field regularly producing up to 50 mmscfd which was well in excess of our budgeted volumes.

"This agreement has an immediate positive impact on the value of our interest in Brantas, and provides the impetus to step up our development program of the gas reserves in the PSC."

Definitions

GSA Gas Sales Agreement

PSC Production Sharing Agreement

PGN PT Perusahaan Gas Negara

FOR FURTHER INFORMATION please contact:

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* Following the appointment of Toru Matsui (on secondment from Mitsui) to become General Manager of Wandoo Petroleum, Peter Kirkham will assume increased responsibilities as part of the investor relations efforts of the Novus Group. Peter has been closely involved in Novus' investor relations over the past three years as part of his ongoing Commercial Assistant role.