

# NOVUS PETROLEUM LIMITED

ABN 17 067 777 440

## RELEASE TO THE AUSTRALIAN STOCK EXCHANGE

1 JUNE 2004

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### OFF-MARKET TAKEOVER BID BY MEDCO ENERGY (AUSTRALIA) PTY LTD – SUPPLEMENTARY TARGET'S STATEMENT

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Further to the announcement made on 25 May 2004, please find attached a Supplementary Target's Statement in relation to the revised off-market takeover bid by Medco Energy (Australia) Pty Ltd ("MEAPL") for the ordinary issued shares in Novus Petroleum Limited ("Novus") and a letter from Novus' Chairman, Mr David Blair, to Novus shareholders. The letter will be sent to all Novus shareholders today.

The Supplementary Target's Statement was served on MEAPL earlier today and has been lodged with the Australian Securities and Investments Commission. The Supplementary Target's Statement is available on the Novus website.

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FOR FURTHER INFORMATION please contact:

Elaine Connor or Mike Sandy, Novus Petroleum

02 9299 4888

<http://www.novuspetroleum.com>



## Chairman's letter

1 June 2004

Dear Shareholder,

### **Medco's offer for Novus increased to \$1.90 cash per share and declared free of all conditions**

On 25 May 2004 Medco Energi (Australia) Pty Ltd ("**Medco**") (a wholly owned subsidiary of PT Medco Energi Internasional Tbk) announced to ASX that it had increased its offer price per Novus Share from A\$1.74 cash to A\$1.90 cash and had declared its offer free of all conditions (the "**Medco Revised Offer**").

Novus' Independent Directors (Messrs David Blair, Steve Mann and Jim Hornabrook) announced on 25 May 2004 their recommendation that Novus Shareholders accept the Medco Revised Offer and that they intend to accept the Medco Revised Offer for their own Novus Shares, in both cases in the absence of an offer emerging which is considered superior by the Independent Directors. The Independent Directors have withdrawn their previous recommendation of the Sunov Petroleum Pty Ltd offer.

The formal response of Novus' Independent Directors to the Medco Revised Offer and the reasons for the Independent Directors' altered recommendation are set out in a Supplementary Target's Statement. Shareholders can access this Supplementary Target's Statement at [www.novuspetroleum.com](http://www.novuspetroleum.com). In summary, the Independent Directors consider the Medco Revised Offer superior to the Sunov Petroleum Pty Ltd offer because:

- the Medco Revised Offer price of \$1.90 is \$0.05 higher than the Sunov Petroleum Pty Ltd offer price; and
- the Medco Revised Offer is completely unconditional.

Novus has established a shareholder information line to handle shareholders' queries on the takeover bids. Its telephone numbers are 1800 701 213 (for callers in Australia) or +61 3 9251 2730 (for callers outside Australia). Please call this line if you wish to receive a copy of the Supplementary Target's Statement.

If you wish to accept the Medco Revised Offer you should refer to the Bidder's Statement from Medco dated 8 January 2004. Medco has also established a shareholder information line to respond to queries in relation to its offer, including queries on how to complete the Medco acceptance form. The Medco Energi Offer Information Line telephone numbers are 1800 65 65 68 (for callers in Australia) or +61 2 9207 3621 (for callers outside Australia).

Yours faithfully

David Blair  
Chairman  
Novus Petroleum Limited

#### **Novus Petroleum Limited**

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# Novus Petroleum Limited ABN 17 067 777 440

## Supplementary Target's Statement

in relation to an offer by Medco Energi (Australia) Pty Ltd  
ACN 105 457 690 (a wholly owned subsidiary of PT Medco  
Energi Internasional Tbk)

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### 1 Introduction

This document is a supplementary target's statement dated 1 June 2004 under section 644 of the Corporations Act. It is the first supplementary target's statement issued by Novus Petroleum Limited ("**Novus**") in relation to the takeover offer by Medco Energi (Australia) Pty Ltd ("**MEAPL**"), the Australian subsidiary of PT Medco Energi Internasional Tbk ("**Medco Energi**") ("**Supplementary Target's Statement**").

This Supplementary Target's Statement supplements and is to be read together with the Target's Statement dated 23 January 2004 in relation to the initial takeover offer by MEAPL.

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### 2 Agreement with Medco Energi and MEAPL

#### 2.1 Medco Revised Offer Agreement

Appended to this Supplementary Target's Statement is a Novus ASX announcement dated 25 May 2004 which includes Medco Energi's ASX announcement dated 25 May 2004 and the Medco Revised Offer Agreement.

Under the Medco Revised Offer Agreement, Novus and the Independent Directors agreed to do certain things in return for MEAPL agreeing to increase its offer price per Novus Share from A\$1.74 to **A\$1.90** and agreeing to declare its offer unconditional.

#### 2.2 Principal terms of Medco Revised Offer Agreement

The full terms of the Medco Revised Offer Agreement are set out in the copy of Novus' 25 May 2004 ASX announcement appended to this Supplementary Target's Statement. Novus' obligations under that agreement can be summarised as follows:

- (a) **(recommendation)** The Independent Directors must withdraw their previous recommendation that Novus Shareholders accept the offers made under the takeover bid for all Novus Shares made by Sunov Petroleum Pty Ltd ("**Sunov**") and instead recommend the Medco Revised Offer (in the absence of an offer emerging which the Independent Directors consider superior) in an ASX announcement in an agreed form;
- (b) **(business as usual)** Novus must conduct its business as usual, avoid certain "prescribed occurrences", and use reasonable endeavours to preserve and maintain the value of its assets. Novus must not dispose

of all or part of the Novus Group, and must not exceed certain limits on its capital or exploration expenditure;

- (c) **(no material adverse change)** Novus must take all reasonable steps to avoid the occurrence of an event or announcement which has or could reasonably be expected to have a material adverse effect on Novus; and
- (d) **(break fee)** Novus must pay a break fee to reimburse Medco for its costs and expenses of the bid up to a maximum of A\$2.75 million if:
  - (i) a person other than Medco Energi, MEAPL or any other related body corporate of, or entity controlled by, Medco Energi acquires a relevant interest in more than 50% of the Novus Shares (provided that if the relevant interest arises from acceptance of an offer made under a takeover bid, the offer has become unconditional), or unconditionally acquires the whole or a substantial part of Novus' business or property; or
  - (ii) an Independent Director fails to recommend, or revokes or revises a previously made recommendation of, the Medco Revised Offer except in circumstances in which the Independent Director recommends a Superior Offer or a Superior Proposal.

## 2.3 Refinancing of Novus' Indebtedness

Section 8 of Medco's Fourth Supplementary Bidder's Statement contains extensive disclosure on the current status of the Medco Energi Group's ability to refinance Novus' Indebtedness that may become payable on a change of control of Novus.

The Facility continues to be drawn to US\$24 million. Novus has also issued a further drawdown notice under the Facility for US\$8 million to occur on 7 June 2004. This additional drawdown has resulted from Novus' exploration and development activity in the first half of the year (in particular, in the United States) and paying into an escrow account the break fees agreed with both MEAPL and Sunov. As at 28 May 2004, the estimated repayment under the Novus US Notes, assuming no noteholder notifies Novus to the contrary, is US\$94.3 million comprising the US\$80 million principal, the estimated "make whole" payment of US\$11.3 million plus accrued interest of US\$3.0 million.

The Medco Energi Group's ability to refinance, or to procure refinancing of, Novus' Indebtedness is of little concern to a Novus Shareholder who **intends to accept** the Medco Revised Offer (as that offer is unconditional).

However, any Novus Shareholder who **intends not to accept** the Medco Revised Offer should carefully analyse section 8 of Medco's Fourth Supplementary Bidder's Statement (together with annexure C of that document). Minority Novus Shareholders should consider the ability of Novus and the Medco Energi Group to refinance Novus' Indebtedness in

circumstances where MEAPL obtains effective control but less than 90% of Novus' Shares.

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### **3 Directors' recommendation and reasons**

#### **3.1 Independent Directors' recommendation**

The Independent Directors of Novus (Messrs David Blair, Steve Mann and Jim Hornabrook) recommend that Novus Shareholders ACCEPT the Medco Revised Offer and intend to ACCEPT the Medco Revised Offer for their own Novus Shares, in both cases in the absence of an offer emerging which the Independent Directors consider superior.

#### **3.2 Reasons for recommendation to accept the Medco Revised Offer in the absence of an offer considered superior by the Independent Directors**

- The offer price of A\$1.90 under the Medco Revised Offer is \$0.05 above Sunov's current offer price of A\$1.85.
- The Medco Revised Offer is completely unconditional.

#### **3.3 Sunov Offer and Sunov Revised Offer Agreement**

As at the date of this Supplementary Target's Statement, the Sunov Offer is still open and not scheduled to close until 17 June 2004 (unless further extended). The Independent Directors note however that the Sunov Offer remains subject to a number of conditions.

Under the terms of the Sunov Revised Offer Agreement, if MEAPL acquires a relevant interest in more than 50% of Novus' Shares, the break fee of up \$2.75 million will be payable by Novus to Sunov.

#### **3.4 No recommendation from Non-Independent Directors**

Dr Bob Williams is a director of Sunov and for this reason makes no recommendation to Novus Shareholders in relation to the Medco Revised Offer.

Mr Noboru Tsuruta also makes no recommendation to Novus Shareholders in relation to the Medco Revised Offer having regard to:

- Mitsui & Co., Ltd ("Mitsui"), through a 100% owned subsidiary, holding 6.5% of the issued capital of Novus and its 40% owned associated Mitsui Oil Exploration Co., Ltd ("MOECO") having an interest in a further 6.5% of the issued capital of Novus. Mitsui and MOECO have the right to nominate a person for appointment by Novus as a director and Mr Tsuruta has been so nominated and appointed; and
- Mitsui's strategic alliance with Novus.

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## **4 Additional information**

### **4.1 Lodgment with ASIC**

A copy of this Supplementary Target's Statement was lodged with ASIC on 1 June 2004. Neither ASIC nor any of its officers takes any responsibility for the contents of this Supplementary Target's Statement.

### **4.2 Defined Terms**

**Facility** means the US\$86,000,000 Syndicated Multi-Option Revolving Credit Facility Agreement dated 29 July 2003 between Novus Finance Pty Limited, Novus US Finance LLC (each as a borrower), various subsidiaries of Novus as guarantors, ANZ Investment Bank as arranger, Australia and New Zealand Banking Group Limited as agent and various lenders.

**Medco Fourth Supplementary Bidder's Statement** means the supplementary bidder's statement dated 26 May 2004 issued by MEAPL.

**Medco Revised Offer** means the offer by Medco to increase its offer price for Novus Shares from A\$1.74 to A\$1.90 per Novus Share.

**Medco Revised Offer Agreement** means the agreement dated 24 May 2004 between Medco Energi, MEAPL and the Independent Directors in relation to the Medco Revised Offer.

**Novus' Indebtedness** means Novus' indebtedness under the Novus US Notes and the Facility.

**Sunov Revised Offer Agreement** means the agreement dated 22 April 2004 between Sunov Petroleum Pty Ltd, Novus and the Independent Directors.

**Superior Offer** has the meaning given to it in the Medco Revised Offer Agreement.

**Superior Proposal** has the meaning given to it in the Medco Revised Offer Agreement.

Words defined in the Target's Statement dated 23 January 2004 have the same meaning in this Supplementary Target's Statement, unless the contrary intention appears.

### **4.3 Novus shareholder information**

Novus has established a shareholder information line which Novus Shareholders may call if they have any queries in relation to the Offer. The telephone numbers for the shareholder information line are 1800 701 213 (for callers in Australia) or +61 3 9251 2730 (for callers outside Australia). The information line is available Monday to Friday between 7:00 am and 6:00 pm (Sydney time).

Novus notifies Novus Shareholders that, as required by the Corporations Act, calls to the above line will be tape recorded.

Further information relating to the Medco Revised Offer can be obtained from Novus' website at [www.novuspetroleum.com](http://www.novuspetroleum.com).

This Supplementary Target's Statement also includes and refers to statements made by Medco Energi and MEAPL and associates of Medco Energi and MEAPL. None of Medco Energi, MEAPL and associates of Medco Energi and MEAPL have consented to these statements being included in, referred to, or accompanying this Supplementary Target's Statement in the form and context in which they are included.

#### **4.4 Authorisation**

This Supplementary Target's Statement has been approved by a resolution passed by the Directors. Dr Williams and Mr Tsuruta were not present and did not participate in the deliberations on that resolution, but were given a draft of this Supplementary Target's Statement on 31 May 2004 to review for factual accuracy prior to its finalisation.

Signed by a Director of Novus, pursuant to section 351 of the Corporations Act.

A handwritten signature in black ink, appearing to be 'David Blair', written over a horizontal line.

David Blair  
Chairman  
Novus Petroleum Limited

**Appendix: Novus ASX announcement dated 25 May 2004**



# **NOVUS PETROLEUM LIMITED**

ABN 17 067 777 440

## **RELEASE TO THE AUSTRALIAN STOCK EXCHANGE**

**25 MAY 2004**

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### **NOVUS PETROLEUM INDEPENDENT DIRECTORS RECOMMEND MEDCO ENERGI OFFER OF A\$1.90 PER SHARE**

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Indonesian oil and gas company PT Medco Energi Internasional Tbk announced today that its wholly owned Australian subsidiary Medco Energi (Australia) Pty Ltd (together, "Medco Energi") has increased its cash offer for all the issued ordinary shares in Novus Petroleum Limited ("Novus") to A\$1.90 per share, up from its previous offer of A\$1.74 per share.

Medco Energi has also declared the offer unconditional.

The Independent Directors of Novus (Messrs David Blair, Steve Mann and Jim Hornabrook) noted today that they believe that the revised Medco Energi offer is a superior offer to that of rival bidder Sunov Petroleum Pty Ltd ("Sunov").

The Independent Directors therefore recommend that Novus shareholders ACCEPT the revised Medco Energi offer and intend to ACCEPT the revised Medco Energi offer for their own Novus shares, in both cases in the absence of another offer emerging for all of the Novus shares which the Independent Directors consider superior.

The Independent Directors have also withdrawn their recommendation of the Sunov offer.

A break fee agreement has been entered into between Novus and Medco Energi in connection with Medco Energi's revised offer. A copy of that agreement is attached.

A copy of the media release issued by Medco Energi today is also attached.

A further supplementary Target's Statement containing the response and formal recommendation of the Independent Directors to the revised Medco Energi offer is expected to be distributed to Novus shareholders in the near future.

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**FOR FURTHER INFORMATION please contact:**

**Elaine Connor or Mike Sandy, Novus Petroleum**

**02 9299 4888**

**<http://www.novuspetroleum.com>**



MEDCOENERGI

24 May 2004

Messrs David Blair, Jim Hornabrook and Steve Mann  
Directors  
Novus Petroleum Limited  
Level 9  
321 Kent Street  
Sydney NSW 2000

Dear Sirs

### Takeover bid by Medco Energi (Australia) Pty Ltd

We refer to the takeover bid for all of the ordinary shares in Novus Petroleum Limited (ABN 17 067 777 440) (*Novus*) (the *Offer*) by PT Medco Energi Internasional Tbk's (*Medco Energi*) wholly-owned subsidiary, Medco Energi (Australia) Pty Ltd (ACN 105 457 690) (*MEAPL*), and to MEAPL's third supplementary bidder's statement dated 21 May 2004 in relation to the Offer.

As you are aware, on 21 May 2004 Medco Energi and MEAPL announced that they had decided that, subject to certain pre-conditions set out in the announcement and in the third supplementary bidder's statement, MEAPL will increase the consideration offered to Novus shareholders under the Offer from A\$1.74 per Novus share to A\$1.90 per Novus share (the *Revised Offer*). Medco Energi and MEAPL made that announcement after careful consideration and on the basis that, as contemplated by the pre-conditions referred to above, Novus and the Independent Directors (as defined below) agreed to certain matters. It is against this background that Medco Energi and MEAPL provide this letter.

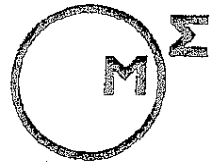
The content of this letter is confidential and must not be disclosed by Novus or the Independent Directors (as defined below) to any person unless all parties have validly executed and delivered a copy of this agreement.

In consideration of Novus and the Independent Directors (as defined below), as relevant, agreeing to each of the matters set out below, Medco Energi and MEAPL agree that they will, as soon as possible after the date of this agreement:

- (a) announce the Revised Offer and effect the corresponding variation to the Offer; and
- (b) announce and effect the waiver of all of the remaining conditions to the Offer.

The matters agreed to by Novus and the Independent Directors are as follows:

1. **(Break fee)** Novus agrees to the break fee arrangements set out in schedule 1.



## MEDCOENERGI

2. **(Recommendation)** Each of Messrs David Blair, Jim Hornabrook and Steve Mann (each an **Independent Director**) will, immediately after execution of this agreement, in an announcement to the Australian Stock Exchange in the form set out in schedule 2 and simultaneous with an announcement to the Australian Stock Exchange by Medco Energi in the form set out in schedule 3:

- (a) withdraw their previous recommendation that Novus shareholders accept the offers made under the takeover bid for all of the Novus shares by Sunov Petroleum Pty Ltd;
- (b) recommend that Novus shareholders accept the Revised Offer; and
- (c) state that they intend to accept the Revised Offer in respect of any Novus shares held by them.

in the case of paragraphs (b) and (c) in the absence of an offer for all of the Novus shares considered superior by the Independent Directors (a **Superior Offer**).

3. **(Business as usual)** Novus will conduct its affairs in the usual and ordinary course consistent with past practice, and will seek to ensure that no 'prescribed occurrence' (as referred to in section 652C of the *Corporations Act 2001* (Cth)), other than the issue of Novus shares on the exercise of Novus options, occurs in relation to Novus. Novus will also use its reasonable endeavours to preserve and maintain the value of all its petroleum properties and assets and the properties' and assets' relationships, suppliers, customers and employees. Novus will not dispose of the whole or any part of the Novus group (including its Indonesian assets). Without the prior approval of Medco Energi, Novus will not incur additional capital or exploration expenditure above and beyond that which is currently budgeted other than capital or exploration expenditure up to US\$1 million conducted in the ordinary course of business.

Nothing in this paragraph 3 requires Novus (or any of its directors) to take any action (or not to take any action, as the case may be) beyond 31 October 2004 (or earlier if the Revised Offer lapses), which would give rise to a breach of fiduciary duties, a breach of any existing contractual obligation or a breach of any other law or legal or equitable obligation.

4. **(No material adverse change)** Novus will take all reasonable steps to ensure that nothing occurs or is announced which has, or could be reasonably expected to have, a material adverse effect on the business, financial or trading position, assets or liabilities, profitability or prospects of Novus or any of its subsidiaries during offer period for the Offer, but no later than 31 October 2004.

For the avoidance of doubt, nothing in this letter requires Medco Energi or MEAPL to take any action until such time as Novus, the Independent Directors, Medco Energi and MEAPL have agreed on the matters outlined in this letter, and then only on the terms of this letter.

This letter, including the schedule, is governed by the laws of New South Wales, Australia.

PT Medco Energi Internasional Tbk  
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www.medcoenergi.com



**MEDCOENERGI**

Medco Energi and MEAPL request that Novus and the Independent Directors acknowledge their agreement to all the arrangements set out in this letter by signing and returning a copy of this letter to us as soon as possible.

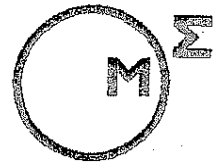
Yours faithfully

**Sugiharto**  
For and on behalf of  
PT Medco Energi Internasional Tbk and  
Medco Energi (Australia) Pty Ltd

I agree, for and on behalf of Novus Petroleum Limited and the Independent Directors, to the matters set out in this letter.

**David Blair**  
Chairman  
Novus Petroleum Limited

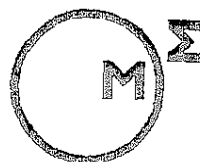
Date: 24 May 2004



MEDCOENERGI

## Schedule 1

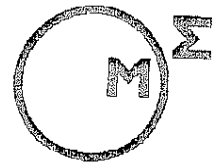
1. Novus acknowledges that Medco Energi and MEAPL will suffer significant costs and expenses (**Costs**) if MEAPL's takeover bid for Novus shares is not successful. Accordingly, Novus has agreed that it will pay Costs which Medco Energi and MEAPL incur in connection with the Offer and/or the Revised Offer up to a maximum amount of \$2.75 million (**Break Fee**).
2. Novus agrees to pay Medco Energi (for Medco Energi itself and on behalf of MEAPL) the Break Fee if any of the following events occur before 31 October 2004, or occur as a result of any Proposal which has been publicly announced, put to or received by Novus (or any of Novus' Representatives) before the Revised Offer lapses (whether or not before the date of this agreement):
  - (a) a person, other than Medco Energi, MEAPL or any other related body corporate of, or entity controlled by, Medco Energi, acquires a relevant interest in more than 50% of the shares in Novus (provided that if the relevant interest arises from acceptances of an offer made under a takeover bid, the offer has become unconditional); or unconditionally acquires the whole or a substantial part of Novus' business or property;
  - (b) any Independent Director fails to recommend, or revokes or revises a previously made recommendation of, MEAPL's takeover bid (whether or not that failure, revocation or revision is otherwise in breach of this agreement) except in circumstances in which the Independent Director recommends a Superior Offer or a Superior Proposal.
3. Medco Energi may demand payment of the Break Fee in writing and stating the circumstances which give rise to the liability to pay the Break Fee (**Payment Demand**). The Payment Demand must:
  - (a) specify the amount of Costs incurred by Medco Energi and MEAPL in connection with the Offer and/or the Revised Offer (such amount must not exceed \$2.75 million) (**Incurred Costs**);
  - (b) nominate a bank account into which the Incurred Costs are to be paid;
  - (c) be signed by all of the directors of Medco Energi; and
  - (d) attach either:
    - copies of invoices evidencing payment by Medco Energi or MEAPL (as the case may be) of the Incurred Costs; or
    - an extract of minutes of a meeting of the board of directors of Medco Energi confirming that the Incurred Costs have been properly incurred by Medco Energi or MEAPL (as the case may be) in connection with the Offer and/or the Revised Offer.



## MEDCOENERGI

Novus must pay (or procure that the Escrow Agent (as defined in paragraph 5 below) pays) the Incurred Costs to Medco Energi (into the bank account nominated by Medco Energi), in immediately available funds, within 5 business days after receiving the Payment Demand.

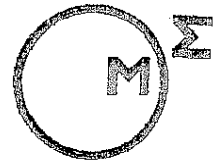
4. Novus and the Independent Directors consider that significant benefits will flow to Novus shareholders if MEAPL improves the Offer consideration to the proposed amount under the Revised Offer. Novus and the Independent Directors acknowledge that Novus' entry into this agreement is necessary to induce Medco Energi and MEAPL to improve the Offer consideration to that amount.
5. As security for its obligations under this schedule 1, Novus will within 2 business days of the date of this agreement deposit in the trust account of Mallesons Stephen Jaques (*Escrow Agent*) an amount equal to A\$2.75 million (*Escrow Amount*). Novus will instruct the Escrow Agent to hold the Escrow Amount on trust pursuant to an escrow deed to which Medco Energi is a party containing terms which are customary for escrow deeds, and on such terms that:
  - (a) require the Escrow Agent to hold the Escrow Amount until the earlier of:
    - receipt of written notification from Medco Energi that payment of a Break Fee is no longer required;
    - the Escrow Agent having paid to Medco Energi the Incurred Costs as set out in the Payment Demand;
    - Novus having paid to Medco Energi the Incurred Costs as set out in the Payment Demand; and
    - the later of the date on which the Revised Offer lapses and the date on which no circumstances exist which could trigger Novus' obligations under paragraph 2 of this schedule 1 to pay the Break Fee to Medco Energi; and
  - (b) require the Escrow Agent to pay Incurred Costs to Medco Energi within 5 business days of receipt by the Escrow Agent of a written notice from Medco Energi (which attaches a copy of the Payment Demand) stating that the Incurred Costs have not been paid by Novus.
6. For the purposes of this schedule 1:
  - **Proposal** means any approach or attempt to initiate any negotiations or discussions with respect to a proposed transaction or any expression of interest, offer or proposal which, if accepted and completed, would result in a person directly or indirectly acquiring the relevant interests in 10% or more of Novus' share capital, or otherwise acquiring the whole or a substantial part of the assets, business or property of Novus, by way of takeover bid, scheme of arrangement, capital reduction or any other means;
  - **Representative** means any person acting for or on behalf of Novus, including any director (other than Dr Bob Williams), officer, employee, contractor, or professional adviser;



## MEDCOENERGI

• **Superior Proposal** means a bona fide proposal, transaction or reorganisation including, without limitation, a scheme of arrangement, capital reconstruction or sale of the whole or a substantial part of Novus' business or property) in each case, with a third party, in respect of which the Independent Directors have determined, acting reasonably and in good faith, that, if it were consummated in accordance with its terms, it would result in a transaction more favourable to Novus shareholders than the Revised Offer, such determination having been made in good faith by the Independent Directors:

- (a) after consultation with its financial and legal advisers; and
- (b) after taking into account all material legal, financial, regulatory and other aspects of such proposal and the party making such proposal (including the prospects that the proposal will complete).



**MEDCOENERGI**

## **Schedule 2 – Novus Announcement**

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Tuesday, 25 May, 2004

Draft ASX release

### **NOVUS PETROLEUM INDEPENDENT DIRECTORS RECOMMEND MEDCO ENERGI OFFER OF A\$1.90 PER SHARE**

Indonesian oil and gas company PT Medco Energi Internasional Tbk announced today that its wholly owned Australian subsidiary Medco Energi (Australia) Pty Ltd (together, "Medco Energi") has increased its cash offer for all the issued ordinary shares in Novus Petroleum Limited ("Novus") to A\$1.90 per share, up from its previous offer of A\$1.74 per share.

Medco Energi has also declared the offer unconditional.

The Independent Directors of Novus (Messrs David Blair, Steve Mann and Jim Hornabrook) noted today that they believe that the revised Medco Energi offer is a superior offer to that of rival bidder Sunov Petroleum Pty Ltd ("Sunov").

The Independent Directors therefore recommend that Novus shareholders ACCEPT the revised Medco Energi offer and intend to ACCEPT the revised Medco Energi offer for their own Novus shares, in both cases in the absence of another offer emerging for all of the Novus shares which the Independent Directors consider superior.

The Independent Directors have also withdrawn their recommendation of the Sunov offer.

A break fee agreement has been entered into between Novus and Medco Energi in connection with Medco Energi's revised offer. A copy of that agreement is attached.

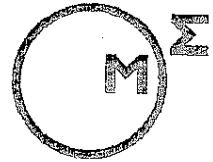
A copy of the media release issued by Medco Energi today is also attached.

A further supplementary Target's Statement containing the response and formal recommendation of the Independent Directors to the revised Medco Energi offer is expected to be distributed to Novus shareholders in the near future.

Ends

For further information:





**MEDCOENERGI**

### **Schedule 3 – Medco Energi Announcement**

Tuesday, 25 May, 2004

#### **MEDCO ENERGI INCREASES OFFER FOR NOVUS PETROLEUM**

Indonesian oil and gas company, PT Medco Energi Internasional Tbk, through its wholly owned Australian subsidiary Medco Energi (Australia) Pty Ltd, (together, "Medco Energi") today announced an increase of its cash offer for all the issued ordinary shares in Novus Petroleum Limited ("Novus") to A\$1.90 per share, up from its previous offer of A\$1.74 per share.

Medco Energi has also declared the offer unconditional.

The increased offer price of A\$1.90 per share represents:

- a 54.3% premium to the volume weighted average price of Novus shares on ASX in the 12 months prior to Medco Energi first announcing its offer on 22 December 2003; and
- a 47.3% premium to the closing price of Novus shares on ASX on the day prior to Medco Energi first announcing its offer.

Medco Energi Chief Executive Officer Hilmi Panigoro said, "We believe that our revised cash offer of A\$1.90 per Novus share represents full and fair value for Novus' shareholders while remaining value enhancing for our shareholders."

Novus' Independent Directors have each recommended that Novus shareholders accept the revised Medco Energi offer, and intend to accept the revised Medco Energi offer for their own shares, in both cases in the absence of another offer emerging for all of the shares in Novus that the Independent Directors consider superior.

Mr Panigoro continued, "Our increased offer of A\$1.90 per Novus share is a manifestly superior alternative to the current offer by Sunov Petroleum Pty Ltd of A\$1.85 per share. In addition, the Sunov offer is still highly conditional.

"Our offer is therefore the best offer available for Novus shares. This is reflected in the recommendation made by the Independent Directors of Novus in relation to our offer, and in their withdrawal of their previous recommendation of Sunov's offer."

Mr Panigoro noted that Medco Energi had secured the financing package required to fully fund the revised offer. "This means that, now our offer is unconditional, Novus shareholders who accept have certainty of payment. By contrast, given that Sunov's offer is still highly conditional, Novus shareholders cannot be sure if or when they will be paid under that offer."

A Supplementary Bidder's Statement is expected to be issued shortly in connection with the revised offer. The offer is scheduled to close at 7.00pm (Melbourne time) on 8 June 2004 (unless extended).

For further information contact:



**MEDCOENERGI**

Tuesday, 25 May, 2004

**MEDCO ENERGI INCREASES OFFER FOR NOVUS PETROLEUM**

Indonesian oil and gas company, PT Medco Energi Internasional Tbk, through its wholly owned Australian subsidiary Medco Energi (Australia) Pty Ltd, (together, "Medco Energi") today announced an increase of its cash offer for all the issued ordinary shares in Novus Petroleum Limited ("Novus") to A\$1.90 per share, up from its previous offer of A\$1.74 per share.

Medco Energi has also declared the offer unconditional.

The increased offer price of A\$1.90 per share represents:

- a 54.3% premium to the volume weighted average price of Novus shares on ASX in the 12 months prior to Medco Energi first announcing its offer on 22 December 2003; and
- a 47.3% premium to the closing price of Novus shares on ASX on the day prior to Medco Energi first announcing its offer.

Medco Energi Chief Executive Officer Hilmi Panigoro said, "We believe that our revised cash offer of A\$1.90 per Novus share represents full and fair value for Novus' shareholders while remaining value enhancing for our shareholders."

Novus' Independent Directors have each recommended that Novus shareholders accept the revised Medco Energi offer, and intend to accept the revised Medco Energi offer for their own shares, in both cases in the absence of another offer emerging for all of the shares in Novus that the Independent Directors consider superior.

Mr Panigoro continued, "Our increased offer of A\$1.90 per Novus share is a manifestly superior alternative to the current offer by Sunov Petroleum Pty Ltd of A\$1.85 per share. In addition, the Sunov offer is still highly conditional.

"Our offer is therefore the best offer available for Novus shares. This is reflected in the recommendation made by the Independent Directors of Novus in relation to our offer, and in their withdrawal of their previous recommendation of Sunov's offer."

Mr Panigoro noted that Medco Energi had secured the financing package required to fully fund the revised offer. "This means that, now our offer is unconditional, Novus shareholders who accept have certainty of payment. By contrast, given that Sunov's offer is still highly conditional, Novus shareholders cannot be sure if or when they will be paid under that offer."

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**PT Medco Energi Internasional Tbk.**

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