



NAUTILUS
Minerals Inc.

COMPANY INFORMATION

NAUTILUS MINERALS INC.

Registered Office:
10th Floor
595 Howe Street
Vancouver, British Columbia
V6C 2T5

NEWS RELEASE

Number 2007-50

Seafloor Mining Tool Contract Award and Project Development Update

Vancouver B.C., December 18, 2007 - Nautilus Minerals Inc. (TSX & AIM: NUS) (the “Company” or “Nautilus”) is pleased to announce the award of a contract worth approximately £33 million (equivalent to C\$67.5million or US\$66.5 million)*, to Soil Machine Dynamics Ltd (SMD) of Newcastle upon Tyne, UK, for the design and build of two Seafloor Mining Tools (SMTs) (http://www.nautilusminerals.com/i/misc/2007-12-18_NRF.gif) and to provide a development update for its Solwara 1 Project, located in the territorial waters of Papua New Guinea (PNG).

David Heydon, Nautilus’ CEO said: “The placing of this first order is a historic step in the creation of a new industry and a major milestone for the Nautilus team, who continue to meet the development timelines for the delivery of the Solwara 1 Project. Nautilus is on track to commence commissioning for mining operations by the third quarter of 2010, subject to timely PNG government approval.

Significant steps have been taken in the design and build process for the three key components of the mining system. The SMT contract, which is the first of the three contracts, was awarded after a four month competitive tendering process that involved several other major offshore Remote Operated Vehicle (ROV) and mining equipment supply contractors. Nautilus chose SMD for the strength of its design and competitive approach. We look forward to working with the SMD team to deliver the world’s first seafloor massive sulphide (SMS) mining tool.”

Conference Call

We will hold a conference call on Thursday, December 20, 2007 at 10.00am Eastern Time (3.00pm London/GMT) to provide an update on the Solwara 1 Project Development.**

Project Development Update

Nautilus continues to make considerable progress in the delivery of the Solwara 1 Project. Over the past three months, the focus has been on the tendering for the provision of the three key mining system components;

- 1) Seafloor Mining Tool (SMT),
- 2) The Riser and Lifting System (RALS)
- 3) Mining services, including provision of the mining vessel

Nautilus' approach has been to lock-down the contracts for the SMT and the RALS first. The mining services contract will then be awarded as the configuration of these subsea systems has bearing on the optimal surface vessel configuration that the mining contractor will be required to provide.

Recently a competitive, paid, front end engineering design program was launched for the RALS, involving "world's best" international contractors. This will run for 8 weeks and Nautilus expects to select the RALS design and build contractor before the end of January 2008.

The mining services contract will be finalised in the second quarter of 2008, following a subsequent competitive, paid, front end engineering design study with several high calibre international groups. These groups will be short-listed before the current year end. The objective of the design program will be for contractors to assess the subsea mining equipment (i.e. the SMT and RALS), identify the required integration with the proposed vessels and demonstrate that the contractor groups are proposing optimal vessel configurations. Under the mining services agreement, the successful contractor will provide the mining support vessel and manage the daily production operations on a performance incentivised basis.

Following the engineering study and the award of the mining services contract, the Company will be in a position to announce its target capital expenditure and operating costs.

Metallurgical test work continues on a representative 1.2 tonne drill core sample at AMMTEC laboratories in Perth, Western Australia. Front end engineering studies into the required treatment process are advancing and site investigations are in progress in PNG to finalise selection and purchase of a site suitable for storage and treatment.

***Exchange rates used herein:** C\$1.00 equal to US\$0.99 and £0.49.

****Conference Call Details**

Presentation slides to accompany the discussion will be available at approximately 9.30am Eastern (2.30pm London GMT) from the Nautilus website (www.nautilusminerals.com).

Please use the following number for the conference call:

Canada 1866-837-4489
United Kingdom 0800-056-9662
United States 1866-586-2813
Other/International +61-2-8524-6650

Performance Based Options Granted

On December 17, 2007, the Company granted 4,250,000 options to directors and employees as part of the Company's performance based remuneration policy and as a form of incentive for staff to partake in this historic value creating event. The options were granted under the Company's Stock Option Plan which was approved by shareholders and is limited to 10% of the Company's issued capital. The exercise price for the options is C\$5.35 and they will only vest upon notice from the Company that it has commenced mining operations during 2010. The options will expire on November 30, 2012. If the Company does not commence mining operations during 2010 the options will not vest and will be cancelled.

The details regarding the options granted are as follows:

Name	Date of grant	No. of Options	Exercise Price
Geoff Loudon	December 17, 2007	300,000	C\$5.35
David Heydon	December 17, 2007	200,000	C\$5.35
David De Witt	December 17, 2007	200,000	C\$5.35
Russell Debney	December 17, 2007	200,000	C\$5.35
John O'Reilly	December 17, 2007	200,000	C\$5.35
Farhad Moshiri	December 17, 2007	200,000	C\$5.35
Other employees	December 17, 2007	2,950,000	C\$5.35
Total granted		4,250,000	

Warrants Exercised

The Company advises that as a result of the exercise of certain warrants, the Company has made application for 107,831 common shares to be admitted to AIM and TSX. The shares are expected to be admitted to trading on December 19, 2007.

Milestone Based Shares

Nautilus has entered into an agreement with a consulting group, who are providing services to the Solwara 1 Project, where part of the consideration for services, are the issue of up to 300,000 fully paid common shares in the Company in stages subject to the achievement of each of the following project milestones:

- a) Signing of a project development agreement between Nautilus and the Government of PNG – 60,000 common shares;
- b) Obtaining unencumbered title to the area of land where Nautilus decides to locate the processing plant – 60,000 common shares;
- c) The required agencies of the government of PNG approve the Environmental Impact Statement for the Solwara 1 Project – 60,000 common shares;
- d) The grant of a mining lease over the Solwara 1 resource within E1196 on terms acceptable to Nautilus Minerals – 60,000 common shares; and
- e) Commercial Completion of the Solwara 1 Project which is defined as being the point at which commissioning is complete and the operation has been producing concentrate at a rate of at least 70% scheduled rate for a period of 3 months– 60,000 common shares.

About Soil Machine Dynamics Ltd.

Soil Machine Dynamics Ltd (SMD) (www.smd.co.uk) is one of the world's leading subsea equipment manufacturers. Founded in 1971, SMD is a privately owned UK based engineering company specializing in the design and manufacture of complex engineering systems. With a combined experience of nearly 50 years, SMD provides subsea vehicles to the energy, telecoms, and mining industries delivering over 300 subsea machines and 200 pieces of deck equipment.

About Nautilus Minerals Inc.

Nautilus is the first company to commercially explore the ocean floor for gold and copper seafloor massive sulphide deposits and is positioned to become an emerging producer in 2010. The Company's main focus for 2008 is the Solwara 1 Project, which is located in the territorial waters of Papua New Guinea in the western Pacific Ocean. Nautilus is listed on the TSX and on AIM, and has among its largest shareholders three of the world's largest international resource companies, including Epion (22.9%), Anglo American (5.8%) and Teck Cominco (5.3%).

For more information please refer www.nautilusminerals.com or contact:

Investor Relations
Nautilus Minerals Inc. (Toronto)
Email: investor@nautilusminerals.com
Tel: +1 (416) 551 1100

Australian Project Office
Tel: +61 (7) 3318 5555

Numis Securities Limited (NOMAD)
John Harrison/James Black
Tel: + 44(0) 20 7260 1000

Conduit PR Ltd (UK Financial PR)
Arabella Hobbs/ Ed Portman
Tel: + 44(0) 20 7429 6610 / +44(0) 7833 926 694

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