



**NAUTILUS**  
Minerals Inc.

# COMPANY INFORMATION

## **NAUTILUS MINERALS INC.**

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Toronto, Ontario  
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## **NEWS RELEASE**

**Number 2008–36**

### **Nautilus Announces Deferral of Solwara 1 Mining System Equipment Build**

*Toronto Ontario, December 17, 2008* - **Nautilus Minerals Inc. (TSX & AIM: NUS)** (the “Company” or “Nautilus”) today announces it has decided to adopt a more cautious strategy and to preserve its strong cash position by delaying the construction of the equipment for the Solwara 1 mining system. This decision is driven both by the challenges and opportunities presented by the unprecedented speed and severity of the global economic downturn and the uncertainty in the financial and commodity markets. The Company will continue to move forward with permitting for its Solwara 1 Project, as well as with various engineering and testing activities. In addition, the Company will continue with its focused exploration program to increase its resource base.

Nautilus’ CEO, Stephen Rogers, commented: “Given market conditions, the Board of Directors and management have undertaken a thorough review of all operations. Directors and management require greater certainty that all elements needed to progress the project to completion are in place before making major equipment expenditures. Deferring the equipment build for the mining system is a difficult yet appropriate decision to preserve our strong cash position, which stood at US\$266.6 million as at September 30, 2008. It also provides an opportunity to realise cost savings and possible benefits presented by the current market downturn. These may include reduced material and equipment costs, faster manufacturing times and lower logistics costs given a less heated market. The Company remains committed to its objective of developing the world’s first seafloor massive sulphide recovery operation. We will be positioned to promptly restart the equipment build as soon as the Board of Directors and management consider market and contract conditions are suitable.”

To preserve capital, contracts and purchase orders will be suspended or terminated depending on their criticality to the revised development program. All of the supplier agreements contain provisions for termination without penalty. The Mining Support Vessel agreement announced on June 20, 2008 is in the process of being terminated. The Company will now revisit the market to find alternative tonnage.

As a result of this decision, the Company will today reduce its workforce by approximately 30% to a level that will allow it to preserve cash while continuing to actively seek approval for its Solwara 1 Mining Licence application and for its environmental permit. Ongoing consultation activities with our stakeholders, including local communities relating to permitting and the Solwara 1 Project will continue. The Company will also continue engineering work on the Solwara 1 mining system to enable a prompt restart when conditions allow. Additionally we will further our exploration activities to build on our pipeline of seafloor resources.

As a consequence, the Board believes that the previously announced timetable for first ore production at the Solwara 1 Project is likely to be delayed beyond December 2010. The Company will update the market on the new timeline milestones for production at Solwara 1 once market conditions stabilise.

The measures announced today are to ensure that Nautilus is well positioned to benefit from current opportunities as the global economy recovers. With its strong balance sheet, Nautilus will be able to resume its equipment construction programs with renewed momentum.

### **Conference Call Details**

A Conference Call and Webcast will be held on Thursday, December 18, 2008 at 9.00 AM EST (Toronto), 2.00 PM GMT (London).

Webcast link:

<http://phx.corporate-ir.net/phoenix.zhtml?p=irol-eventDetails&c=120113&eventID=2053383>

Dial-in numbers:

International Dial In: +61 2 8524 6650

Australia: 1800 148 258

Canada: 18668374489

Hong Kong: 800965808

Singapore: 8006162170

United Kingdom: 08000569662

United States of America: 18665862813

If your country dial-in number is not included here please email [nmd@nautilusminerals.com](mailto:nmd@nautilusminerals.com)

A presentation to support the conference call will be posted on [www.nautilusminerals.com](http://www.nautilusminerals.com) for download by 8.30 AM EST (Toronto) on December 18, 2008.

### **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 currently developing its first project. The Company's main focus 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 two of the world's leading international resource companies, Teck (6.8%) and Anglo American (11.1%). Epion (21%) is controlled by the founder of Metalloinvest one of the largest and fastest growing mining and metallurgical holdings in Russia.

For more information please refer [www.nautilusminerals.com](http://www.nautilusminerals.com) or contact:

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### **Forward-Looking Statements**

Any statements made in this press release which are not statements of historical fact may constitute "forward-looking statements," including those concerning the Company's goals, assumptions or expectations. Forward-looking statements are subject to risks, uncertainties and other factors which could

cause actual results to differ including, but not limited to, uncertainties concerning the ability of the Company to raise the capital necessary to implement its work programs, a protracted decline in commodity prices, and the lack of any assurance that the Company will receive the necessary governmental approvals to proceed with the development of Solwara Project. These risks are generally outlined in the Company's disclosure filings with the British Columbia Securities Commission. For more information on the Company, investors should review the Company's public filings, available at [www.sedar.com](http://www.sedar.com).

**Neither the TSX nor the London Stock Exchange accept responsibility for the adequacy or accuracy of this press release.**