



3 June 2008

The Manager, Companies
Australian Stock Exchange

Progress Report No. 1

**Garfish-1 Exploration Well
in Production Licence VIC/L29**

Please refer to the attached announcement.

Yours sincerely

Susan Robutti
Company Secretary



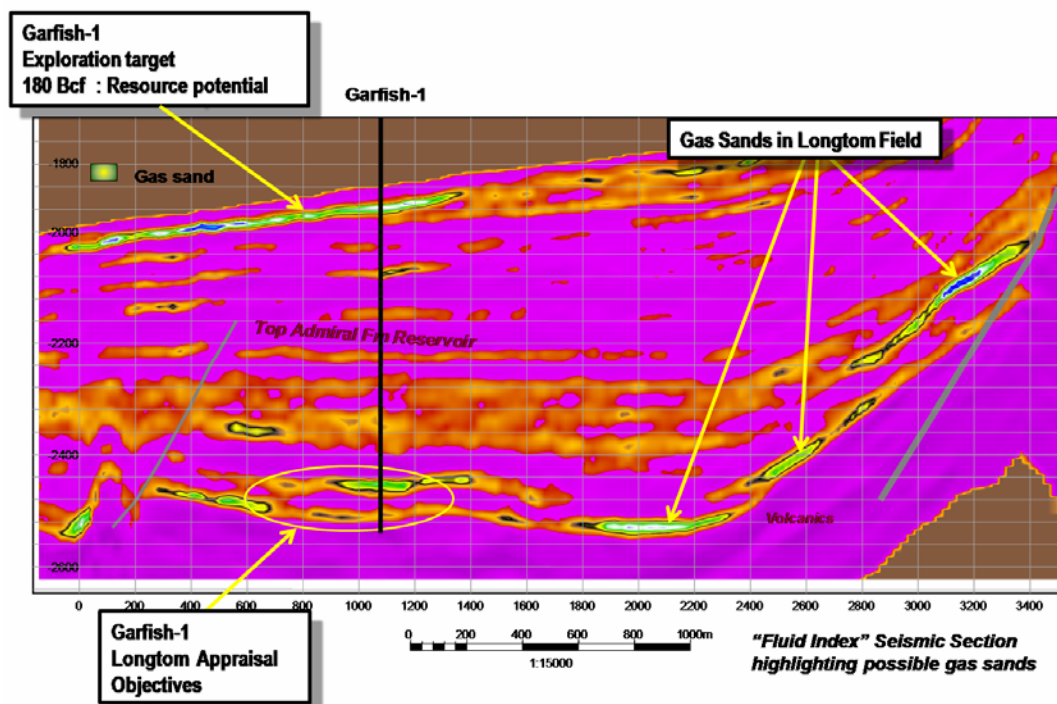
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Garfish-1 Exploration Well in Production Licence VIC/L29

Nexus Energy Limited ("Nexus") advises that as at 06:00 am (AEST), the Garfish-1 exploration well in Production Licence VIC/L29, in the Gippsland Basin, was setting 13 3/8 inch casing after having reached a depth of 715 metres true vertical depth sub sea ("TVDSS").

Over the course of the next week the anticipated operations will be to drill ahead in 8 1/2 inch hole. The planned total depth of the Garfish-1 well is 2,483 metres TVDSS.

The primary target of the Garfish-1 well will be to test a seismic anomaly which directly overlies the Longtom gas field. Similar seismic anomalies at Longtom have been shown to indicate the presence of gas bearing reservoir sands. Following the intersection of the primary target, the well will then be deepened to confirm that the main reservoir sands of the Longtom field extend to the western part of the VIC/L29 licence area. The Garfish-1 exploration target is calculated to have a resource potential of 180 Bcf.



Fluid Index seismic section across the Longtom Field and the Garfish-1 primary exploration target

Participants

Production Licence VIC/L29

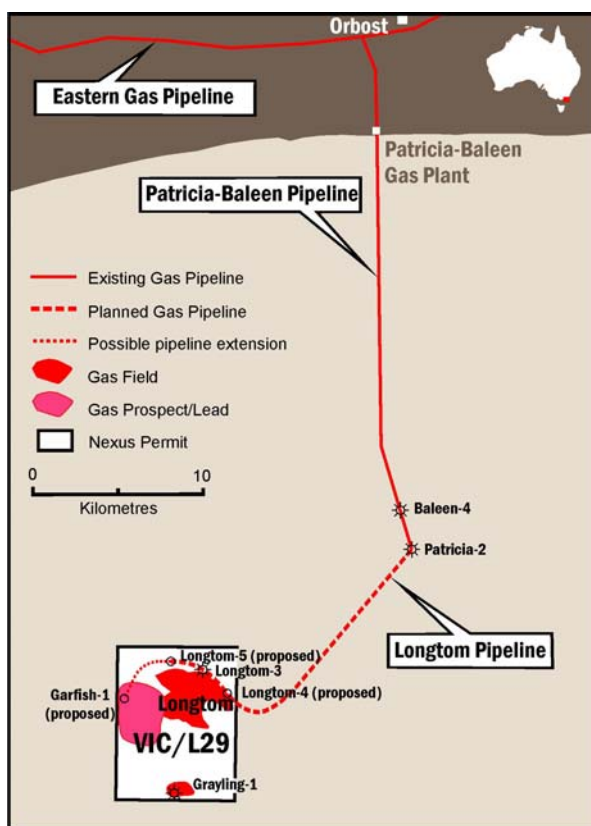
Nexus Energy VICP54 Pty Ltd (100%)

Location

Latitude 38° 06' 38.0838" S

Longitude 148° 15' 17.1466" E

The Garfish-1 exploration well is located in Production Licence VIC/L29, in the offshore Gippsland Basin, Victoria.



Map showing location of the Garfish prospect in Production Licence VIC/L29

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