



Longtom gas project construction interruption

Nexus Energy Limited ("Nexus") advises that the offshore construction work for the Longtom gas project (VIC/L29) in the Gippsland Basin, offshore Victoria, has been interrupted. The delays are the result of the demobilisation of a diving support vessel due to a contractual dispute in relation to its ongoing charter. Nexus is in the process of securing an alternative diving support and installation vessel, and the offshore installation work is anticipated to recommence in approximately three weeks.

The subsea gas pipeline to connect Longtom production wells to Santos Ltd's ("Santos") Patricia Baleen offshore pipeline and the Longtom control umbilical have been laid on the seabed. The remaining offshore works involve predominantly diving operations to hook-up the installed equipment.

Nexus continues to work with Santos to align a first gas date and anticipates being ready to supply gas during calendar Q3 2009. This delay will not impact the conditional sale of a 50% interest in the Longtom gas project to AED Oil Limited other than a commensurate change in the anticipated completion date of the transaction. Nexus will provide further information in relation to the revised first gas date once a revised project completion and commissioning schedule has been completed.

Susan Robutti
Company Secretary

For further information please contact:
Ian Tchacos - Managing Director
Ph: +61 3 9660 2500

Jodie Phillips - Investor Relations Manager
Ph: + 61 3 9660 2500