



Longtom gas project development update

Nexus Energy Limited ("Nexus") advises that a suitable diving support and installation vessel has been secured to complete the remaining offshore installation work for the Longtom gas project (VIC/L29) in the Gippsland Basin, offshore Victoria.

The vessel will be mobilised from Singapore and is expected to arrive on the Longtom site late August 2009 to complete the hook-up of the installed equipment. The timing has been revised to take account of the availability of the preferred vessel. The completion of the installation work is now scheduled to occur between 28 September and 15 October 2009. The range of scheduled completion dates account for both variations in the mobilisation date for the vessel and potential weather interruptions during the installation work program. Development costs for the Longtom gas project are expected to increase by approximately 5% as a result of this delay.

The remaining offshore work is primarily diving related hook-up and commissioning work on the subsea gas pipeline to connect Longtom production wells to Santos Ltd's ("Santos") Patricia Baleen offshore pipeline and the Longtom control umbilical both of which have already been laid on the seabed.

As previously stated, the delay is not expected to 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 continues to work with Santos to align the Nexus offshore work with upgrades being undertaken by Santos on the Orbost gas plant and based on the revised project schedule anticipates being ready to supply gas during calendar Q4 2009.

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