



Longtom Reserves update

Nexus Energy Limited ("Nexus") has completed its Longtom field reserve review incorporating results from the Longtom-4 and Garfish wells which were drilled in the production licence VIC/L29 located in the Gippsland Basin offshore Victoria (Nexus 100%). The Longtom field Reserves and Contingent Resources have been audited by Gaffney, Cline and Associates ("GCA").

Based on the GCA review the Proved Reserves (1P) for the Longtom field have been increased by 63%. The Reserves increase is the result of higher gas-in-place estimates following re-mapping of the reservoirs, the incorporation of improved reservoir properties encountered in some sands in the Longtom-4 development well and improved recovery based on Nexus' plans to drill a third development well on the field. The timing of the third well will be dependent on field performance.

A summary of movements to the Longtom field Reserves is shown in the following table. For the Proved plus Probable (2P) case the gas volume has been limited to the contracted quantity of 350 PJ. The additional gas volumes have been assigned to the Contingent Resources category until such time as a firm sales contract for the additional volumes is secured.

Summary of movements in the Longtom field Gas Reserves

Sales Gas (PJ)	Proved (1P)	Proved + Probable (2P)
1 October 2009	282	350
26 April 2007	173	350
Change	+63%	0%

In addition to the field Reserves, GCA has provided a summary of the Contingent Resources for the Longtom field of up to 71 PJ (refer to table in appendix for full details).

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Appendix

The Reserves and Resources are reported by category according to the definitions in the Petroleum Resources Management system by the Society of Petroleum Engineers, the World Petroleum Council, the American Association of Petroleum Geologists and the Society of Petroleum Evaluation Engineers in March 2007, known as the "SPE PRMS".

Hydrocarbon Reserves and Contingent Resources for the Longtom field, 1 October 2009

Reserves		1P	2P
Sales gas	PJ	282	350
Condensate	MMbbl	2.8	4.4
Contingent Resources		1C	2C
Sales gas	PJ	-	71
Condensate	MMbbl	-	0.6

The reserves information contained in this release in relation to the Longtom gas project has been compiled by Keith Edwards, General Manager Business Development and Corporate Planning. Mr Edwards' qualifications include a degree in physics from Monash University, Melbourne and more than 20 years relevant experience. Mr Edwards is a full time employee of Nexus and has consented in writing to the inclusion of this information in this release.