



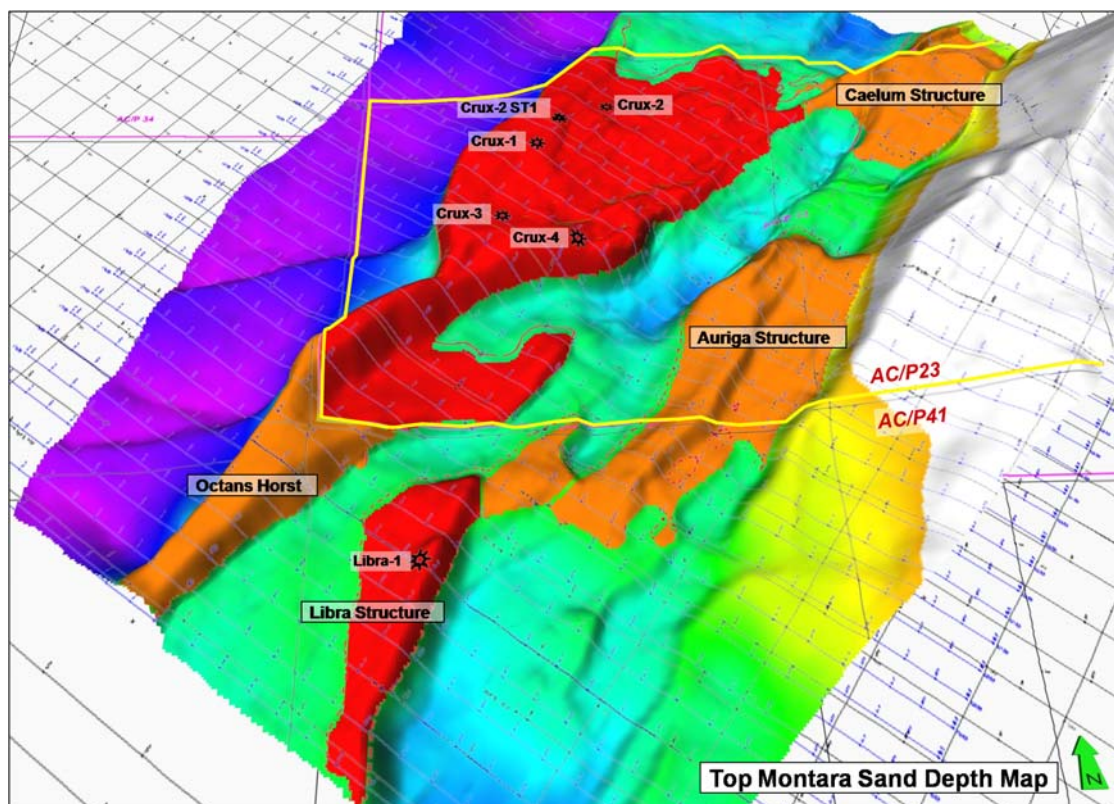
Progress report no. 10

Libra-1 exploration well in exploration permit AC/P41

Nexus Energy Limited ("Nexus") advises that as at 06:00 hours (WDT) on 6 January, operations on the Libra-1 exploration well in exploration permit AC/P41 in the Browse Basin, offshore Western Australia, were plugging and abandoning the well as planned.

The logging program was completed over the prior week with pressure data and reservoir fluid samples collected at various depths. Interpretation of the logging and pressure data indicates a gross hydrocarbon column of 206 metres. The GWC at Libra-1 is shallower than encountered in the Crux field and indicates that the Libra field is a separate accumulation.

Logging data indicates an approximate net to gross ratio of 80% in the reservoir section. Hydrocarbon samples collected will require laboratory compositional analysis to determine the liquids content of the gas. The results from such compositional analysis will be announced when they become available. Nexus estimates that gas volumes within the Libra field are in line with Nexus' pre-drill expectations.



Crux field – Top Montara sand depth map – perspective view (post Libra, Nexus interpretation)

Libra-1 has been drilled to a total depth of 3,929 metres TVDSS. The Ocean Epoch semi-submersible rig is drilling the exploration well which is operated by Shell Development (Australia) Pty Ltd ("Shell") on behalf of the joint venture.

Nexus' managing director Ian Tchacos said, "the discovery of a 206 metre gross gas column in a better than anticipated reservoir section at Libra-1 has increased our confidence in the prospectivity of the Greater Crux area and has provided additional incentive for follow up drilling at the adjacent Auriga and Caelum prospects. These prospects lie on the same trend in the AC/P23 permit where we hold an 85% interest in the liquids."

Location

Latitude: 13 deg 01' 17" S
Longitude: 124 deg 26' 04" E

Participants in exploration permit AC/P41

Nexus Energy ACP41 Pty Ltd	15%
Mitsui E&P Australia Pty Ltd	20%
Shell Development (Australia) Pty Ltd	65% (operator)

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

Media enquiries
Ian Howarth, Farrington National
Ph: +61 3 9223 2465 Mob: +61 407 822 319