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The Manager, Companies
Australian Stock Exchange

**Nexus Receives A\$75 million from Osaka Gas
for Sale of 15% of Crux Project**

Please refer to the attached announcement.

Yours sincerely

Susan Robutti
Company Secretary



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Nexus Energy Limited ("Nexus") has received A\$75 million from Osaka Gas Co., Ltd ("Osaka Gas") in payment for the sale of a 15% interest in the Crux liquids project which implies a total value for the project of A\$500 million.

Nexus through its wholly owned subsidiary, Nexus Energy WA Pty Ltd, finalised a Sale and Purchase Agreement with Osaka Gas which was executed on 1 August 2007.

Nexus and Osaka Gas will now initiate joint studies to identify and secure exploration opportunities which will target significant potential gas resources.

Nexus is now aggressively pursuing the development of the Crux liquids project following the completion of front end engineering studies and the drilling of the Crux-2 and Crux-2 ST1 appraisal wells.

Nexus and Osaka Gas have committed to a work program intended to progress the Crux liquids project to a financial investment decision ("FID") in the second quarter of 2008.

Immediate activities on the Crux liquid project include:

- Finalisation of an independent engineering report, expected to be completed in October 2007, estimating the resources currently available for development for the Crux liquids project;
- Review of a leased FPSO option from Vanguard Oil and Gas International ("Vanguard") for the project pursuant to an FPSO option agreement where Vanguard, a subsidiary of Viking Shipping Limited, has agreed to provide Nexus with a leased FPSO on pre-agreed terms based on a transparent calculation of lease rates;
- Detailed engineering targeting FID for the project during the second quarter of 2008;
- Purchase of long lead items prior to FID intended to maintain a schedule of first liquids production during the first half of 2010;
- Two appraisal / development wells expected to commence drilling in January 2008;
- An exploration well in the adjacent AC/P41 exploration permit expected to commence drilling in January 2008 (Nexus 50% interest), which is likely to have an impact on Crux potential resource volumes in both the AC/P41 and AC/P23 exploration permits; and
- Discussions with banks to secure project finance for the project prior to FID.

Osaka Gas is capitalised at A\$9.1 billion and has been operating for over 100 years. The company is the seventh largest gas utility in the world (based on 2006 sales revenue) importing over 7 million tonnes of LNG per year. Osaka Gas owns and operates two LNG receiving terminals, a commercial and domestic gas distribution system and power generating assets in the Kansai region of Japan.

Nexus managing director, Ian Tchacos, said "We are very pleased to have finalised this transaction with Osaka Gas in an efficient and constructive manner. We are about to enter a very exciting period for the Crux liquids project and exploration focussing on Crux near-field potential. Osaka Gas brings considerable financial capacity to the project which places Nexus in a position to accelerate the progress of the Crux field development."

"Having laid the foundation for a strong partnership with a respected downstream industry player with extensive experience in the Asia Pacific LNG and gas markets, we now intend to pursue further opportunities which are expected to add value to both companies."

"Osaka Gas brings to Nexus additional financial support and marketing capability, enhancing our competitive standing in both the Australian oil and gas sector and the Asia Pacific LNG and gas market." Mr Tchacos said.

For further information please contact:

Ian Tchacos
Managing Director
Phone: 03 9660 2500
Fax: 03 9654 9303
Website: www.nexusenergy.com.au

David Griffiths
Gryphon Management Australia
Phone: 08 9382 8300
Mobile: 0419 912 496
Website: www.gryphon.net.au

Or

Ian Howarth
Farrington National
Phone: 03 9223 2465
Mobile: 0407 822 319
Email: ian.howarth@farrington.com.au

Background on Nexus

Nexus is an ASX listed company with assets geographically focused in Australia. Nexus has made significant progress in commercialising its core assets over the last 12 months. It has taken a financial investment decision on the Longtom gas project located offshore Victoria and successfully farmed out a portion of the Echuca Shoals asset to Shell Development (Australia) Pty Ltd ("Shell"). Nexus has also completed the sale of associated gas in the Crux field to Shell and acquired the adjacent exploration permit AC/P41 in a 50/50 joint bid.

Nexus aims to grow into Australia's next major oil and gas producer. The company is achieving its vision by assembling a portfolio of premier assets, supported by an experienced and innovative management team.

Background on Crux Field

The Crux field, in exploration permit AC/P23 in the Browse basin offshore Western Australia was acquired by Nexus in January 2006. The field is 100km north east of the 100% Nexus owned permit, WA-377-P, which contains the Echuca Shoals gas discovery.

Background on Osaka Gas

Osaka Gas is a leading energy supplier with its core natural gas supply business serving nearly seven million customers in Japan's Kansai region. With its portfolio of diversified energy businesses, Osaka Gas is developing into a multi-energy services provider of natural gas, electricity, LPG, district heating/cooling and other services. Osaka Gas has also been actively pursuing upstream investment opportunities in gas and oil projects. With its affiliated enterprises, the Osaka Gas Group is also active in various non-energy related business fields.

Osaka Gas has been operating for over 100 years, has 140 affiliated companies and over 16,000 employees. For further information please visit: <http://www.osakagas.co.jp/indexe.html>