



18 December 2007

The Manager, Companies  
Australian Stock Exchange

**Progress Report No. 1**

**Crux-3 Appraisal Well  
in Exploration Permit AC/P23**

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Please refer to the attached announcement.

Yours sincerely

**Susan Robutti**  
**Company Secretary**



## Progress Report No. 1

### Crux-3 Appraisal Well in Exploration Permit AC/P23

Nexus Energy Limited ("Nexus") advises that as at 6.00 am (ACST), the Crux-3 appraisal well in exploration permit AC/P23, in the Browse Basin, was drilling ahead at a depth of 2,588 metres true vertical depth ("TVD") in 8 ½ inch hole. The proposed operations over the next week will be to drill ahead before taking a core in the main reservoir section. The planned total depth for the Crux-3 well is 3,985 metres TVD.

The Crux-3 well will be the first of three wells to be drilled back to back in the greater Crux area over the next three months.

Two of the three wells will be drilled in AC/P23 to appraise the Crux field while a third well will be drilled in the adjoining AC/P41 exploration permit in which Nexus holds a 50% interest, to test the Libra exploration prospect.

Nexus will continue to issue weekly reports during the drilling phase of the Crux-3 appraisal well and well results as they become available.

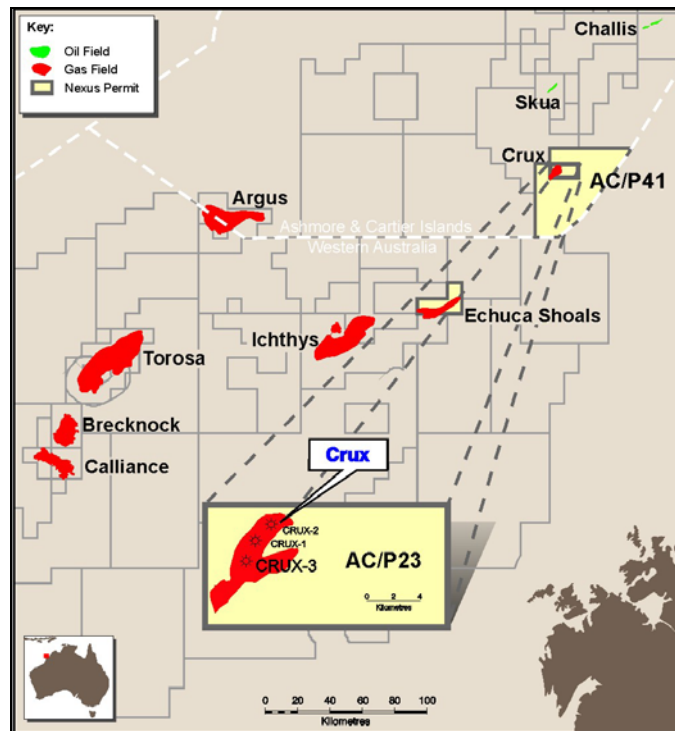
Nexus also wishes to clarify the Crux reserve statement in last week's press release, as follows:

"The following volumes were independently certified by GCA as Contingent Resources as there was no official project sanction at the time of the GCA report being issued. They have subsequently been booked by Nexus as Reserves on the basis of the Crux project being deemed by the board of Nexus to be economic and reflecting the board's commitment to proceed with the project.

#### CRUX FIELD (100%) LIQUIDS VOLUME

	Low	Best	High
Condensate (MMstb) @ 25 October 2007	54.9	66.3	78.3

It should be noted that the above liquids volumes do not include near field exploration potential in AC/P23 and the mapped extension of Crux into AC/P41. "



Map showing location of the Crux field in permit AC/P23

## Location

The Crux-3 well is located in AC/P23, in the offshore Browse Basin, Western Australia.

Latitude: 12 deg 57' 32.63" S  
Longitude: 124 deg 26' 50.07" E

## Participants

Nexus Energy WA Pty Ltd (85%)  
Osaka Gas Crux Pty Ltd (15%)

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