



Progress report No. 1

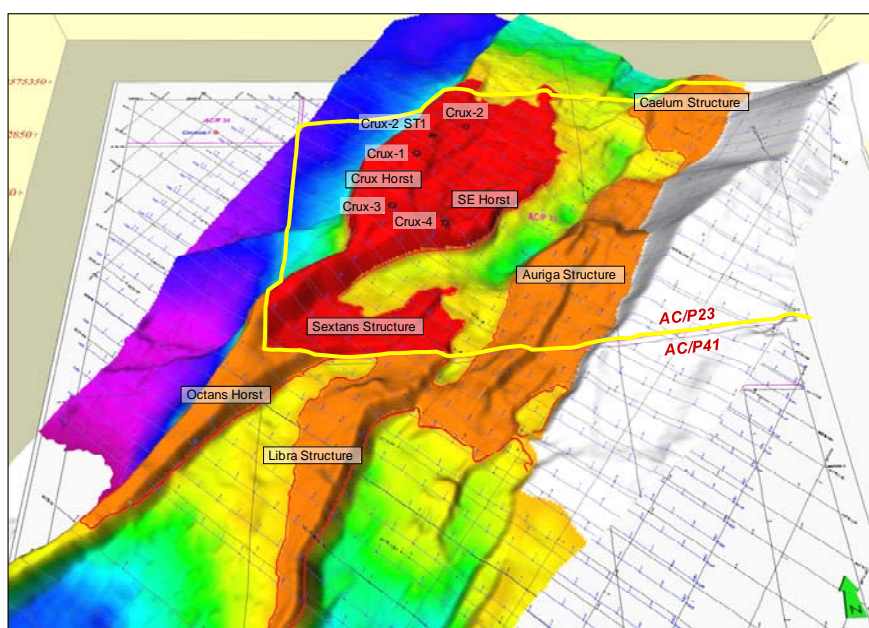
Libra-1 exploration well in exploration permit AC/P41

Nexus Energy Limited ("Nexus") is pleased to advise that the Libra-1 exploration well in exploration permit AC/P41 in the Browse Basin, offshore Western Australia, was spudded on 5 November 2008. As at 06:00 hours on 6 November (AEDT), the conductor was set and operations were preparing to drill ahead in 17½ inch hole.

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.

The Libra-1 well is expected to intersect the target reservoir in late November, and is testing near field exploration potential around the greater Crux area. Nexus' estimate of pre-drill most-likely gross recoverable resource for Libra stands at 500 Bcf of gas and 19 MMbbl of condensate. Nexus also believes that a successful result at Libra-1 would significantly enhance the likelihood of encountering hydrocarbons in the adjacent Auriga and Caelum prospects within exploration permit AC/P23.

Nexus' managing director, Ian Tchacos said "Nexus is excited to be drilling this potentially high impact prospect. Should Libra prove successful in AC/P41, it greatly improves the likelihood of success at the Auriga and Caelum prospects in AC/P23 which could be tied-back to the Crux liquids project, enhancing the overall project value. On a broader view, we map the potential for over 6 Tcf of gas resource with the potential for in excess of 200 million barrels of associated condensate across AC/P23 and AC/P41 in the greater Crux area."



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

The views expressed in this announcement are those of Nexus Energy Limited and do not necessarily reflect the views of Nexus' co-venturers.

Location

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

Participants following completion of farm-outs, exploration permit AC/P41

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

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