



Market Update and Suspension Extension

On 11 March 2009 Nexus Energy Limited ("Nexus") requested a voluntary suspension while negotiations progressed relating to asset sales, financing and significant contractual obligations.

Progress to date includes, but is not limited to, the following:

- Conditional offers have been received for an asset sale that may be formally agreed within a two week period. Nexus is also considering an equity raising to ensure sufficient working capital.
- The Longtom gas project remains on schedule for an expected first gas supply to Santos Limited in July 2009. The offshore installation is underway and the 17km offshore pipeline to connect Longtom to the Patricia Baleen offshore pipeline has now been laid on the seabed and the control system installation and hook work is underway.
- Steps to reduce operating costs, overheads and capital expenditure have been implemented which include reducing personnel levels from 107 to 69.

The Company's strategy remains to secure sufficient funding to meet its financial obligations and minimise ongoing spending. A period of minimal expenditure coupled with revenues from the start up of the Longtom gas project is expected to place Nexus in a strong financial position enabling the Company to maximise the value of its substantial assets.

Nexus anticipates the request for lifting of the suspension of trading in the Company's securities with a substantive announcement on or before the end of May 2009.

Finally, with effect from today Nexus will be located at Level 8, 28 Freshwater Place, Southbank Victoria 3006.

Susan Robutti
Company Secretary

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