



Update on conditional sale of 50% interest in Longtom to AED Oil Limited

Nexus Energy Limited ("Nexus") refers to the announcements it has made in relation to the sale of a conditional 50% interest in the Longtom gas project and exploration permit VIC/P54 to AED Oil Limited ("AED"), including the company update released on 1 September 2009.

By way of further update, Nexus advises that, due to the delay to the completion of the Longtom gas project, certain conditions which are required to be satisfied by 15 September 2009 will not be satisfied and as a result the sale to AED cannot proceed in the absence of further agreement with AED.

Nexus will refund the A\$35 million deposit to AED, together with interest at 15% per annum accruing from 28 May 2009. Nexus and AED are in discussions in relation to the timing for repayment of the deposit and payment of the interest.

Nexus will continue to focus on the completion of the Longtom offshore installation work which recommenced last week and looks forward to the benefits of cash flow from the project.

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