



**Progress Report No. 11
Longtom-3 Well VIC/P54**

**LONGTOM 3 CURRENTLY FLOWING AT 23 MMSCF/D
FROM UPPER SANDS
“The sands that did not test in Longtom-2”**

Nexus Energy Limited is pleased to report that at 7.30 AM this morning the first production test on Longtom-3 over the upper sands (“400 sands”) was flowing at 23 MMscf/d through a 1” choke with a flowing well head pressure of 1200psi. The well was opened up at 7.40 PM on Wednesday the 13th of September at an initial flow rate of 30 MMscf/d before being choked back to achieve a stabilised flow rate.

The well is being tested over the 400 sand interval of 2135.0 – 2170.0 mMDRT and 2180.0 – 2195.0 mMDRT. This is the sand interval in which flow was not achieved in the Longtom-2 well.

The results from this test confirm the flow potential of the 400 sand reservoir section in the Longtom field, addressing a major concern leading up to the drilling of the Longtom-3 well. A flow was not achieved in the 2nd test of Longtom-2 – a test which Nexus has interpreted to have failed due to down hole mechanical problems.

The well will continue to be flowed until later today to monitor stabilised flow rates and pressures prior to shutting the well for approximately 12 hours to monitor the pressure response from the reservoir.

These results are preliminary - additional information in relation to this test will be provided at the conclusion of testing.

Future Operations:

After completion of this test the 400 sand interval will be isolated and the well prepared for a combined test of the 100, 200 and 300 sands (lower sands) completed predominantly in the horizontal section of the well.

Following testing of lower sands the well will be suspended as a future producer. The results of the second test are expected to be available over the next week.

Location

The Longtom-3 well is located in VIC/P54, in the offshore Gippsland Basin, Victoria.

Latitude 38 deg 05' 34.70" S
Longitude 148 deg 18' 41.57" E

Participants:

Nexus Energy VICP54 Pty Ltd 100%

The Longtom -3 well is a sole risk appraisal project located in the VIC/P54 exploration permit. The sole risk appraisal project is being operated and funded by Nexus Energy. Apache Northwest Pty Ltd has back in rights pursuant to a joint venture agreement which enables Apache Northwest Pty Ltd to participate in any potential Longtom development upon the payment of a back in penalty.

For further information please contact:

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