

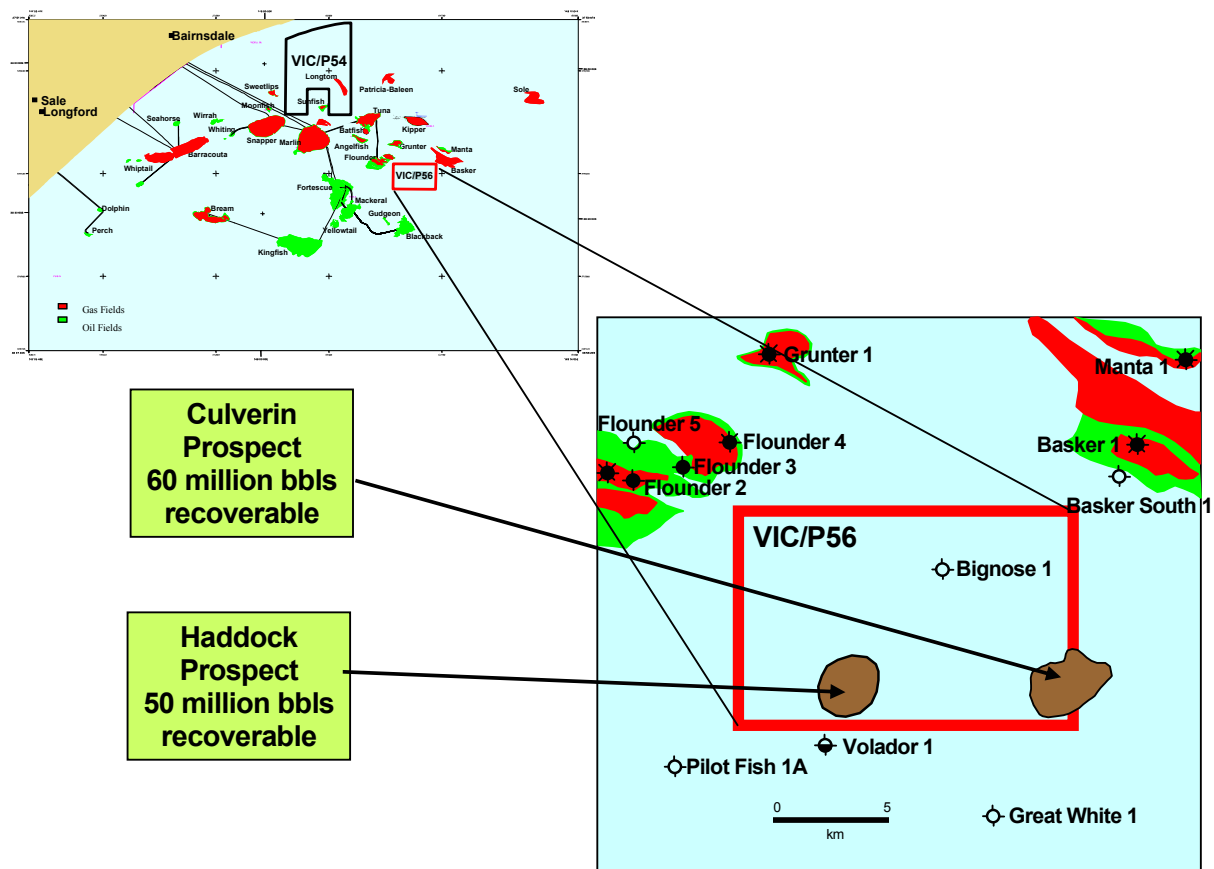
29 August 2003



## NEXUS AWARDED NEW EXPLORATION PERMIT VIC/P56 IN GIPPSLAND BASIN

Nexus Energy Limited is pleased to advise that it has been awarded the 135 km<sup>2</sup> petroleum exploration permit VIC/P56 over the area previously gazetted as V02-4 in the Gippsland Basin.

The permit has been granted for a six year period pursuant to bids submitted in April 2003, Nexus will have a 100% working interest.



The VIC/P56 permit is a very prospective block in a world class oil and gas province which can boast one of the highest exploration success rates in Australia. The permit is in close proximity to several significant producing oil and gas fields including Tuna, Flounder, Halibut, Blackback and Marlin, and is ideally located on the eastern margin of the basin in relatively shallow water.

VIC/P56 has two large prospects at the prospective Top Latrobe reservoir level which both have the potential to contain up to 50 – 60 million barrels of oil reserves.

A 3-D seismic survey has already been acquired in the year 2000 over approximately 50 % of the block by the Esso/BHP Billiton Joint Venture as part of the large Northern Margin 3D survey. This data will be available to Nexus during the course of its primary (three year) work program and will assist the Company to better define existing prospects in the permit prior to drilling.

Nexus was strongly attracted to this permit for the following reasons:

- The proven prospectivity and variety of play types, with several prospects already identified
- The existence of 3-D seismic which will become available to Nexus free of charge during the primary term
- The proximity to other current non commercial reserves such as the Manta oil and gas field which could be tied in to any potential discoveries in VIC/P56
- The permit is relatively unexplored with only one well having been drilled in 1983

Securing 100% of the permit area VIC/P56 further represents an ongoing strategy for Nexus of securing high quality exploration opportunities in prospective acreage proximal to developing infrastructure and markets. The high equity level which Nexus holds in the permit area provides the opportunity for the Company to gain leverage from its technical and commercial skills by attracting joint venture participants by way of a farmin.

Nexus intends to continue to focus on the Gippsland and Bonaparte basins as core areas for exploration.

**For further information please contact:**

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