

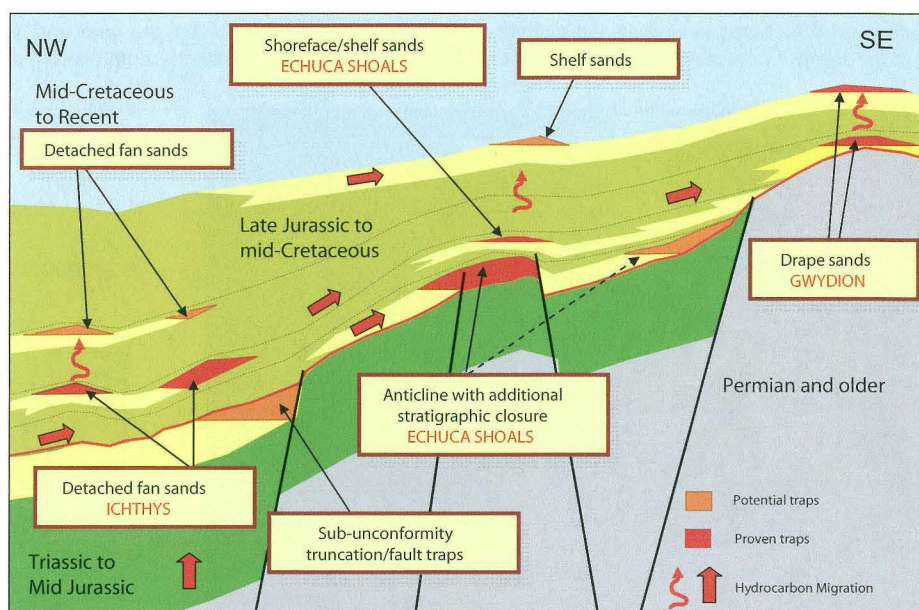
Browse On The Boil: Nexus Energy Gets Permit In 'Hot Exploration Area'

Nexus Energy has been awarded a petroleum permit, WA377P, in one of the "hottest exploration areas" in Australia, according to Managing Director Ian Tchacos.

The exploration area includes the Echuca Shoals gas discovery, offshore North West Australia, which is emerging as a major gas province with several large condensate-rich gas accumulations near the permit area.

"Nexus has interpreted Echuca Shoals to contain a mean recoverable resource potential of 1.3 Tcf gas and 62 MMbbl of condensate based on a conservative interpretation", Tchacos said. "There is considerable upside to these resource estimates as the field may extend further to the north than currently mapped in the mean resource case."

He said while no sample of reservoir fluid was recovered from the well, wireline log data



Schematic cross section showing the range of potential oil and gas traps in the northeastern Browse Basin.

clearly identified a major gas accumulation. "Density information obtained from pressure data in the well indicates that the gas is rich in condensate", he said.

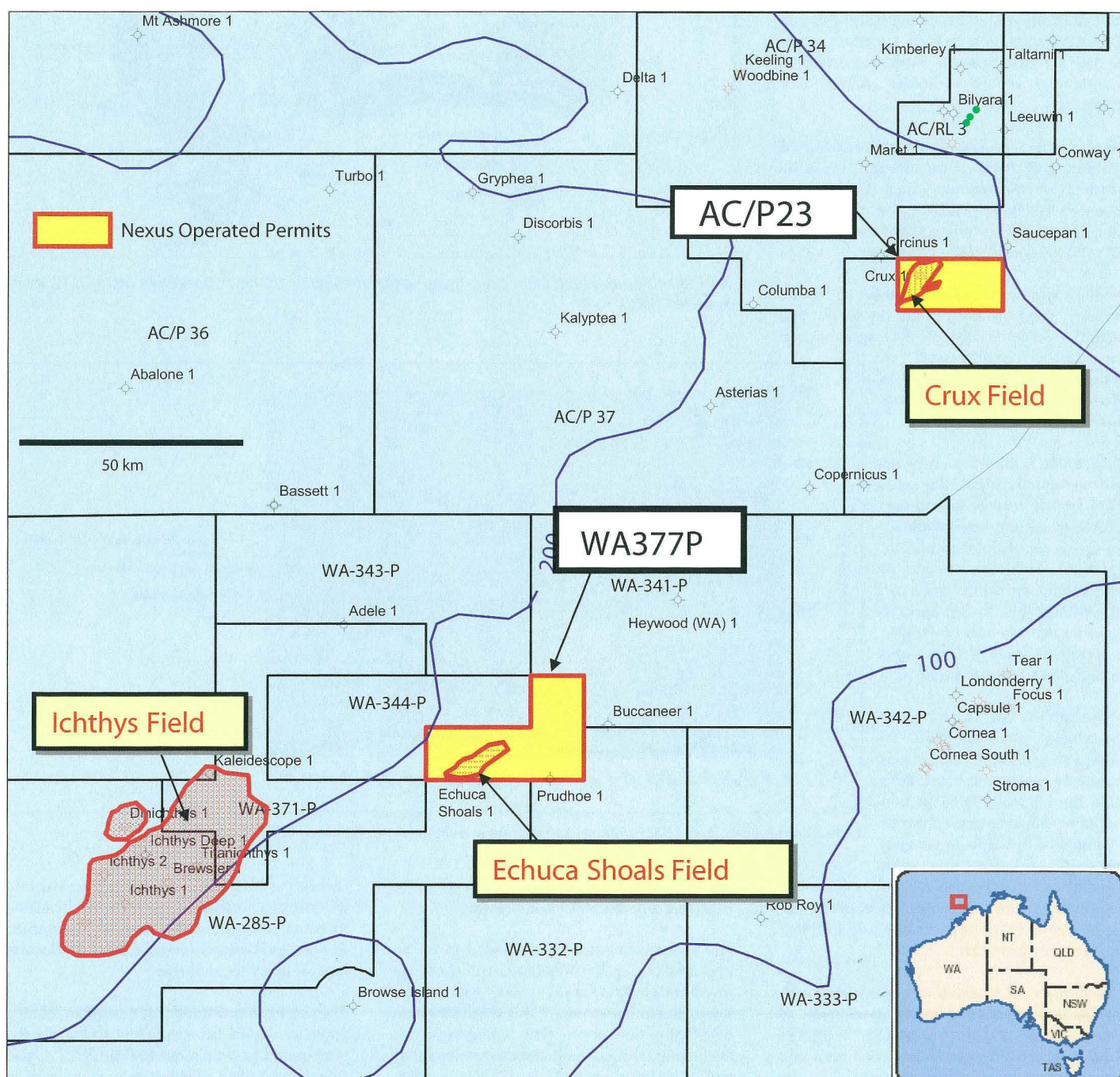
"The Echuca Shoals-1 well encountered two independent gas columns in Berriasian and Tithonian aged sandstones. The deeper Tithonian aged gas accumulation contains the bulk of the discovered gas."

"We regard this to be one of the hottest exploration areas in the country, where condensate rich multi Tcf fields, such as the nearby Ichthys, are likely to yield LNG projects in the near future."

Tchacos said the permit had excellent coverage of recently acquired high quality 3D seismic which would allow the rapid choice of drilling locations for further appraisal and exploration.

"The proximity of WA377P, including the Echuca Shoals gas discovery, to the Crux field, which lies about 120 km to the northeast, provides a significant opportunity for Nexus to maximise the value of the two assets", he said.

Nexus's work program includes the purchase or acquisition of 150 km² of 3D seismic data in the first year of the permit term to mature a drilling target before a well is drilled in the second permit year. Subject to rig availability, Nexus will attempt to accelerate the drilling in this permit to the first half of 2007. Nexus holds 100% equity in the permit. ■



Echuca Shoals Field