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The Manager, Companies  
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## **Osaka Gas Buys 15% of Crux Project for A\$75 million**

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Please refer to the attached announcement.

Yours sincerely

**Susan Robutti**  
**Company Secretary**



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Nexus Energy Limited ("Nexus") and its wholly owned subsidiary, Nexus Energy WA Pty Ltd, have executed a Sale and Purchase Agreement in relation to a 15% interest in the Crux liquids project with leading Japanese energy supplier Osaka Gas Co., Ltd ("Osaka Gas") and its wholly owned subsidiary, Osaka Gas Crux Pty Ltd.

Nexus will receive A\$75 million for Osaka Gas' interest in the Crux liquids project upon receipt of regulatory approvals for the transaction. The implied value of the project based on this transaction is A\$500 million.

Nexus and Osaka Gas have also agreed to enter into further agreements for the initiation of joint studies intended to identify and secure exploration opportunities which will target significant potential gas resources.

Nexus completed front end engineering studies for the Crux liquids project in February 2007 and recently completed drilling on the Crux-2 and Crux-2 ST1 appraisal wells. Nexus and Osaka Gas have committed to a work program which is expected to see the Crux liquids project reach a financial investment decision in the second quarter of 2008.

Osaka Gas is capitalised at A\$9.1 billion and has been operating for over 100 years. The company is the seventh largest gas utility in the world (based on 2006 sales revenue) importing over 7 million tonnes of LNG per year. Osaka Gas owns and operates two LNG receiving terminals, a commercial and domestic gas distribution system and power generating assets in the Kansai region of Japan.

Nexus managing director, Ian Tchacos, said "Nexus is delighted to be joined by Osaka Gas in the Crux liquids project. Osaka Gas brings considerable financial capacity to the project which places Nexus in a position to accelerate the progress of the Crux field development. The transaction also reflects the resource potential and value of the project and lays the foundations for a strong partnership with a respected downstream industry player with extensive experience in Asia Pacific LNG and gas markets."

"Osaka Gas is an industry leader with a long track record in the downstream LNG business and brings to Nexus additional financial support and marketing capability enhancing our competitive standing in both the Australian oil and gas sector and the Asia Pacific LNG and gas market." Mr Tchacos added.

## **Background on Nexus**

Nexus is an ASX listed company with assets geographically focused in Australia. Nexus has made significant progress in commercialising its core assets over the last 12 months; having taken a financial investment decision on the Longtom gas project located offshore Victoria and successfully farming out a portion of the Echuca Shoals asset to Shell Development (Australia) Pty Ltd ("Shell"), completing the sale of associated gas in the Crux field to Shell and jointly acquiring the adjacent exploration permit AC/P41 in a 50/50 joint bid.

Nexus aims to grow into Australia's next major oil and gas producer. The company is achieving its vision by assembling a portfolio of premier assets, supported by an experienced and innovative management team.

## **Background on Crux Field**

The Crux field in exploration permit AC/P23, in the Browse basin offshore Western Australia was acquired by Nexus in January 2006. The field is 100km north east of the 100% Nexus owned permit, WA-377-P, which contains the Echuca Shoals gas discovery.

## **Background on Osaka Gas**

Osaka Gas is a leading energy supplier with its core natural gas supply business serving nearly seven million customers in Japan's Kansai Region. With its portfolio of diversified energy businesses, Osaka Gas is developing into a multi-energy services provider of natural gas, electricity, LPG, district heating/cooling and other services. Osaka Gas has also been actively pursuing upstream investment opportunities in gas and oil projects. With its affiliated enterprises, the Osaka Gas Group is also active in various non-energy related business fields.

Osaka Gas has been operating for over 100 years, has 140 affiliated companies and over 16,000 employees. For further information please visit: <http://www.osakagas.co.jp/indexe.html>

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