



**INVESTOR PRESENTATION
9 - 19 AUGUST 2010
MELBOURNE, BRISBANE & SYDNEY**

Nexus Energy Limited ("Nexus") advises that Richard Cottee, Managing Director will be conducting investor presentations between 9 and 19 August 2010 to take place in Melbourne, Brisbane and Sydney.

A formal presentation will be lodged with the ASX on Monday, 9 August and in advance we provide a summary of key matters to be presented.

The reasons I joined Nexus:

- Longtom gas project – producing asset with stable cash flows to underwrite growth.
- Crux asset – high quality asset impaired by complicated commercial arrangements and requiring innovative financing.
- New and experienced board members

Challenges immediately presented:

Longtom

- Unexpected Mercury in gas and condensate that halted production, require the installation of Mercury Removal Unit facilities (MRU)
- MRU's in place for gas late September 2010 and condensate in February 2011
- Delayed cash flow until production recommences until October/November 2010

Crux

- Production licence requires recovery operations to have commenced by March 2014

Unsecured subordinated notes

- Maturity of A\$110 million unsecured subordinated notes due for maturity in 2013

What has been done:

Equity line of credit (ELOC)

- In June 2010 an ELOC facility with YA Global Master SPV Ltd was executed, similar experience to Queensland Gas Company with Cornell and provides flexibility and safety net.
- ELOC is a \$50 million equity facility which if exercised results in issuance of new Nexus shares

Unsecured subordinated notes restructure

- Delay of July 2010 and January 2011 interest payments until 2012
- Moved bullet repayment till after Crux cash flows converting it to a balloon clearing pathway to financing Crux.

Longtom finance facility

- Pledged ELOC as security to financier to cover existing financier's exposure until condensate mercury removal unit (MRU) commissioned. Security is drawdown notices covered by a power of attorney in favour of bank for bank repayment if necessary.

Cornerstone investor

- Secured M&G Investment in Nexus indirectly granting liquidity and depth to Nexus' stock.

Crux

- Negotiating an extension of period in which to extract. Whilst production schedule shows 7 years of production banks require 3 years reserve tail.
- Secured indicative bank proposal.
- Identified preferred contractor.
- Nexus keep the condensates even if we don't develop.

Cash flow

- Detailed management – no equity has been issued other than for notes restructure notwithstanding no cash flow and security for banks.

Equity sell-down

- Stimulating interest in sell-down of Crux and Longtom – under due diligence.

Where do I want to go:

Crux

- Visibility on Crux by year end.
- Crux cash flows to underwrite future growth to make Nexus a pre-eminent mid-tier E&P producer.

Longtom

- Acquire further production to underwrite a future gas/electricity??? based on tightening electricity market post 2014.

Near term priorities:

- Repair balance sheet.
- Build solid foundations
- Mentor commercial acumen within Nexus staff.

Susan Robutti
Company Secretary

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