



FY2011 Results Presentation

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Presented by

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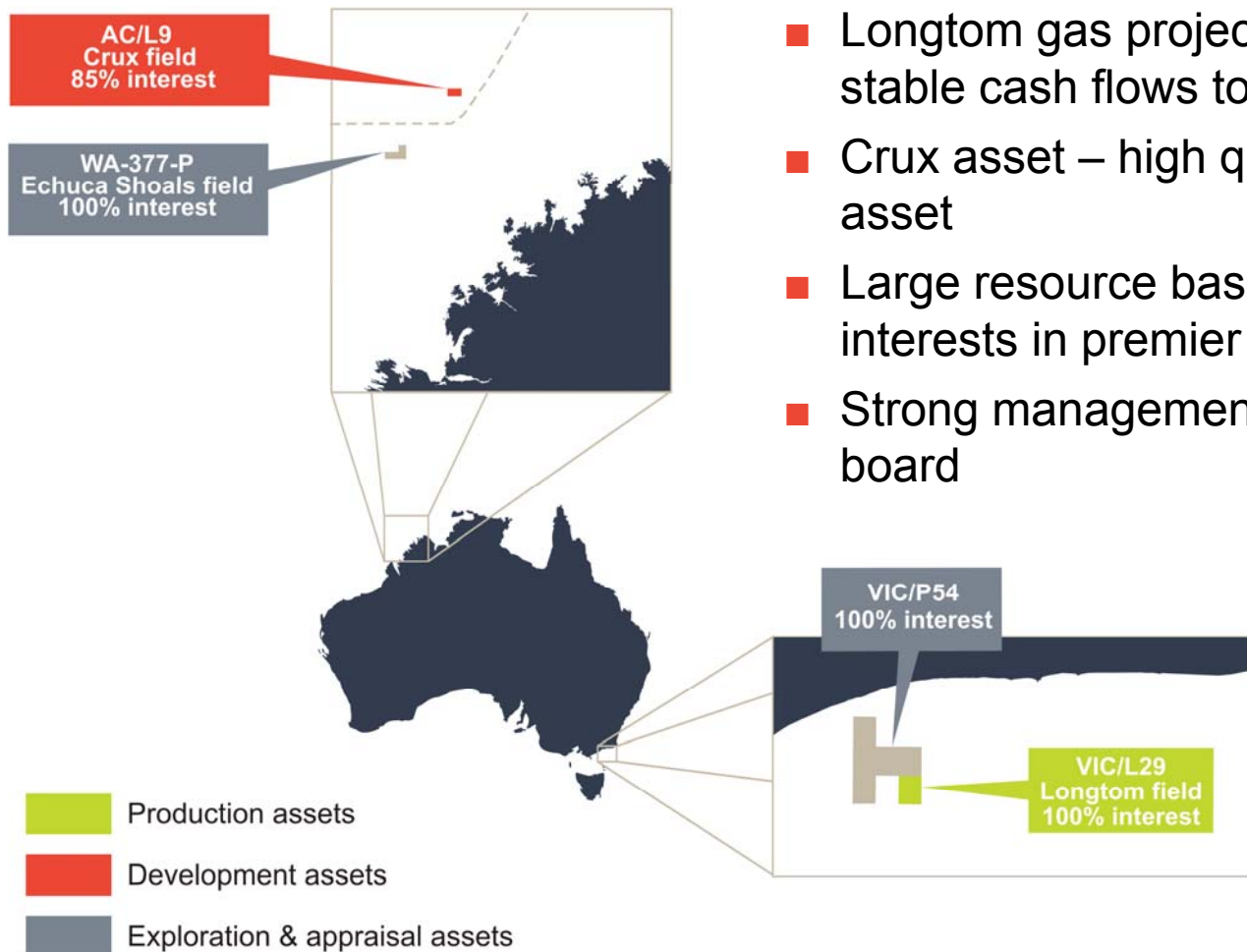
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All dates in this presentation are for calendar years unless stated FY for financial year.

All references to \$ are in Australian currency, unless stated otherwise.

Nexus Overview



- Longtom gas project – producing asset with stable cash flows to underwrite growth
- Crux asset – high quality Browse basin asset
- Large resource base and large equity interests in premier oil and gas basins
- Strong management team and experienced board

Large reserves base and large equity interests in premier oil and gas basins

Strategic Focus and Discipline Maintained



FY11

- Repair balance sheet/restructure finances
- Build solid foundations for Crux commercialisation and enhance Longtom

FY12

- Commercialise Crux and reach FID
- Enhance Victorian gas assets via drilling of Longtom South

FY13

- Crux project construction
- Focus on delivery, on time, on budget

FY14

- Commission Crux – first production
- Develop Longtom as a basis for participation in domestic energy market

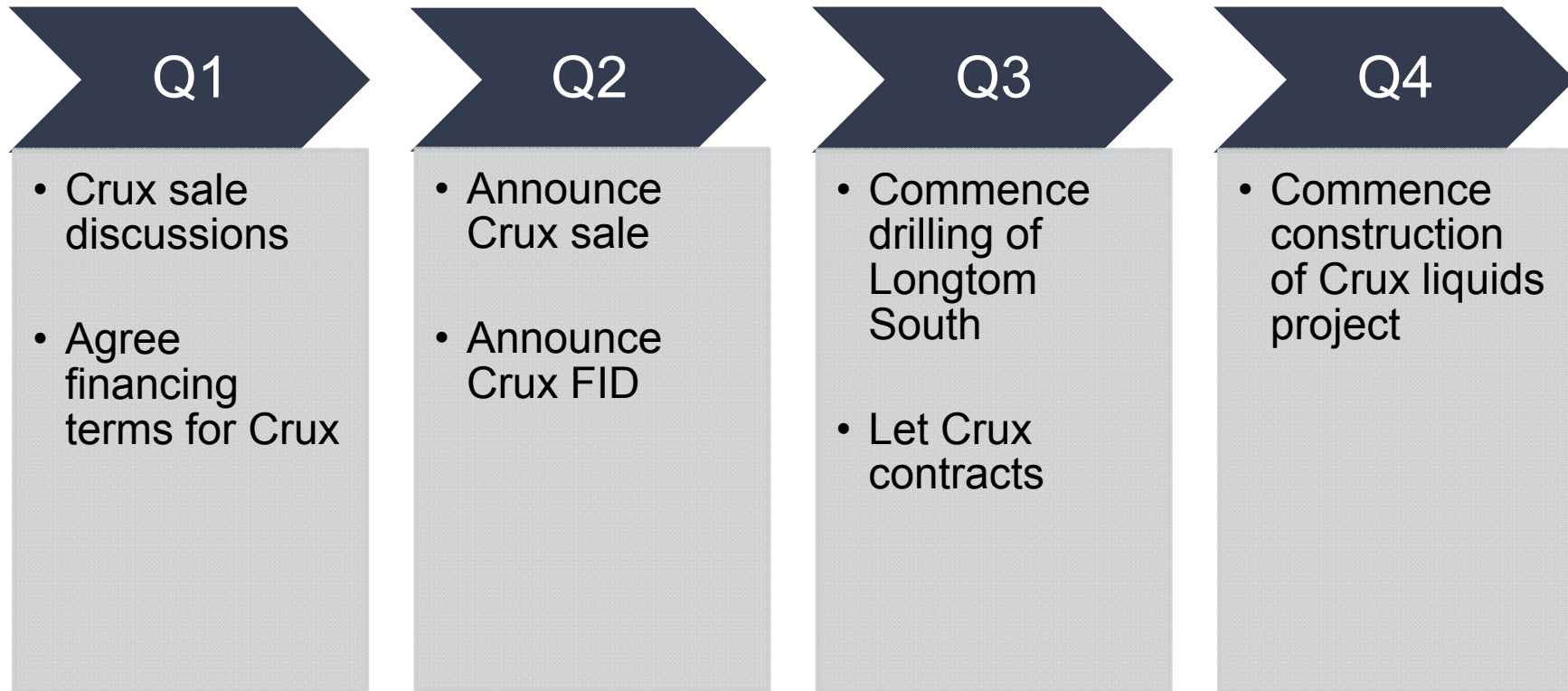
FY15

- Growth – build cash flow, add reserves, de-risk assets, retire debt
- Build a pre-eminent mid-tier energy company

Near Term Objectives and Catalysts



2012 Financial Year



Achievements in FY2011



Repaired
company
foundations

Balance sheet
restructured

Prudent fiscal
management
embedded

De-risked the
company

Optionality /
flexibility
enhanced

Completed
\$136 million
capital raisings

Board
strengthened

Health and
safety
maintained

De-leveraged
and
restructured
debt facilities

Longtom is Generating Strong Cash Flow



- Record monthly production of 2.5 PJ of gas and 25,000 bbl of condensate being produced in June 2011
- For FY2011, 14.7 PJ and 136,000 bbl of condensate have been produced from Longtom despite mercury removal unit being installed, meeting nominations
- Since the installation of mercury removal equipment completed in October 2010, there have been no material unplanned production interruptions with high plant availability
- A planned preventative maintenance program commenced in the first half of FY2012 and has been provided for in future commitments

Longtom Forward Development Plan

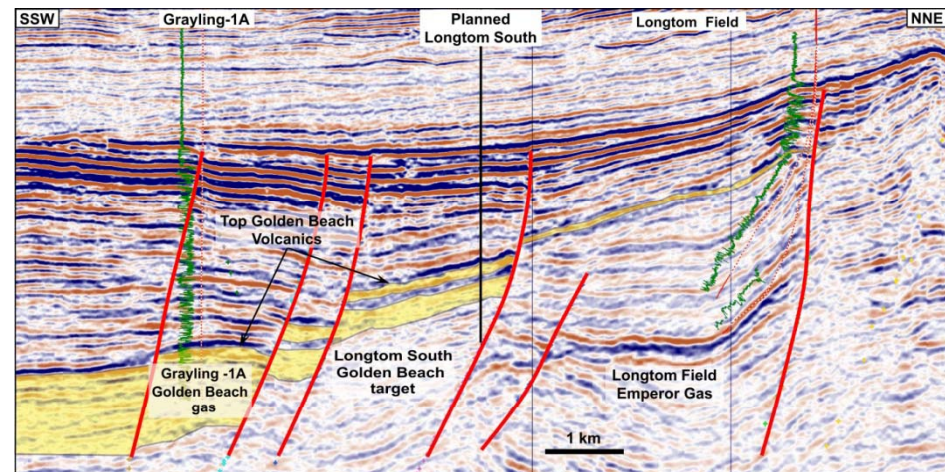


- Significant effort is being applied to fully understand the subsurface characteristics and to determine the optimal drilling campaign which may involve bringing forward the planned drilling of Longtom-5
- Several technical studies are underway to address subsurface understanding
- Results will be incorporated into a forward Field Development Plan and pending these results, a more conservative discount rate to the projected Longtom cash flows of 14% has been applied
- Upon completion of the studies, there will be justification to revert to a more traditional discount rate
- Result for FY2011 includes impairment charge of \$82 million

Longtom South Prospect



- An exciting growth opportunity just 4 km south of existing infrastructure with drilling planned for Q3/Q4 FY2012
- Three oil and gas reservoir targets will be tested, having an estimated mean risked volumes of 200 Bcf gas and 9 MMbbls oil
- Longtom South has mapped structural closures within three reservoir targets, Intra Latrobe, Golden Beach and Emperor
- All three reservoirs are proven hydrocarbon bearing in nearby wells, where results indicate the possibility of oil at Intra Latrobe level, gas/condensate and oil at Golden Beach level, and gas at Emperor level



Longtom South drilling provides potential near term upside

Liquid Stripping Project



- Wood Group appointed - project management services
- McDermott appointed - project development engineering services manager
- Team assembled with over 250 man-years experience
- Project should be FID ready by December 2011
- If FID taken in December, Project commissioning at beginning of Q3 2014FY with commercial recovery operations commencing within the quarter
- Total Project costs estimated to be US\$1.4 billion
- Finance negotiations around US\$1 billion with different consortiums
- Farm-down negotiations with parties continuing
- One of the parties has FLNG capabilities and may result in a wider alliance
- The finance for the project shows no sign of being affected by the present capital market turmoil
- The project is underpinned by strong Asian condensate demand growth potential

As part of FID process

- Nexus commissioned an independent report using publicly available data to verify 5 different options
- 2 of the cases are within existing licence conditions and 3 integrated project options with varying start dates but dependent on amended tenure conditions (government and stakeholder approvals)
- All cases were robustly economic and confirmed the discussion to progress towards FID

Crux Liquids Project is progressing to FID



The Project

- Field Development Plan is based on 4 subsea production wells and 4 subsea gas re-injection wells tied back to a custom built FPSO for c10 years production
- The FPSO facilities provide for condensate production capacity of over 30,000 barrels per day
- Out of the 8 wells required, 2 have already been drilled by Nexus and are in 'suspended' mode awaiting well completion and hook-up to subsea equipment
- Recent fund-raising to be used for engineering verification studies to derive firm cost and schedules to facilitate the letting of engineering, procurement, construction and installation contracts thus securing FID by December 2011
- Wood Group has been contracted to provide project management services to augment existing Nexus personnel
- McDermott Asia Pacific Pte Ltd has been contracted to carry out required engineering works necessary to achieve FID. Engineering has progressed ahead of schedule
- Estimated at 70 MMbbls of condensate recoverable

- Negotiations commenced on innovative farm in
- Objective is to follow leads which we believe will have sufficient gas to enable a mid-sized FLNG project with farminees technology with no recourse to Nexus
- Great platform for enhanced exposure to the Browse basin
- Strong FLNG candidate given the strong LNG Asian demand

Consolidated Statement of Comprehensive Income

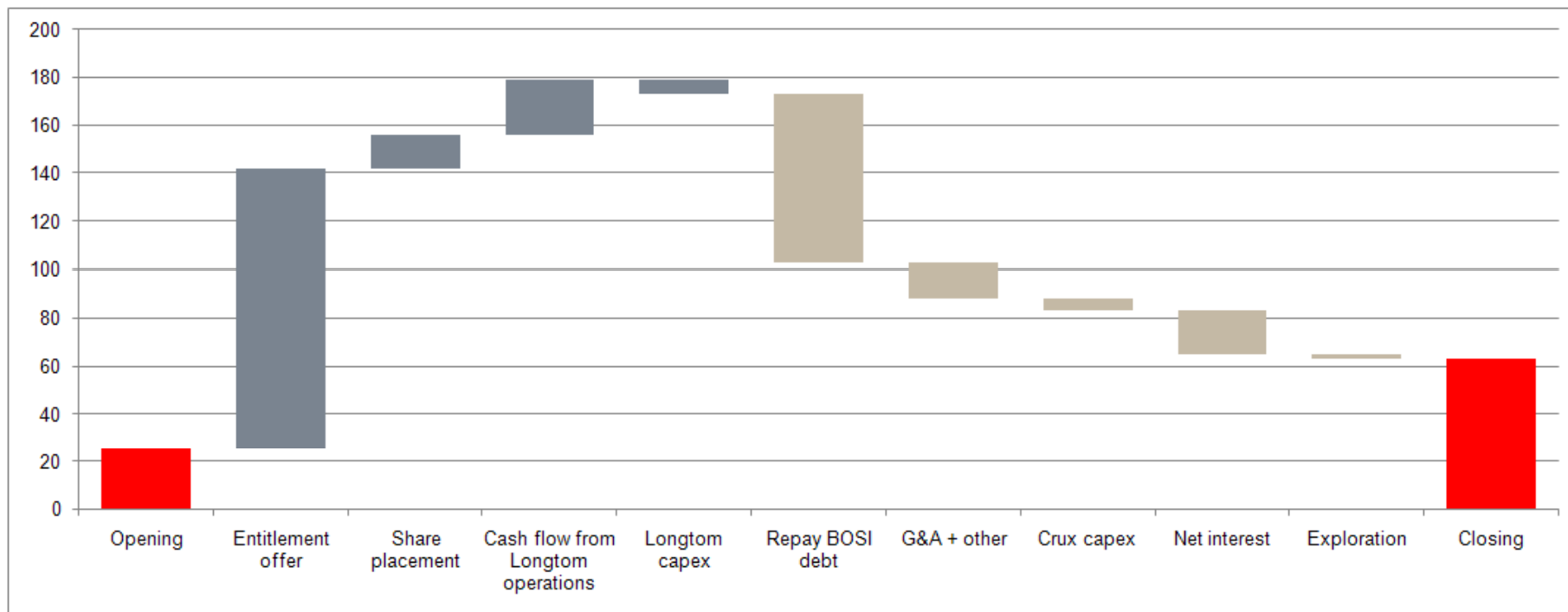
- Revenues \$67 million (2010: \$29 million)
- Operating Profit before Amortisation \$37 million (2010: \$14 million)
- Adjusted EBITDA* \$14 million (2010: \$0.2 million)
- Loss after tax \$39 million (2010: profit \$1 million)
 - Includes the following significant non-cash items:
 - amortisation \$39 million
 - impairment Longtom asset \$82 million
 - gain on exchange of Notes \$15 million
 - tax benefit \$104 million

*Adjusted for Longtom impairment charge

Consolidated Statement of Financial Position

- The net assets increased by \$104 million to \$633 million
 - Includes the following significant movements:
 - \$38 million net increase in cash balances
 - \$88 million increase in PRRT credits recognised as deferred tax asset
 - Offset by impairment of Longtom asset of \$82 million
- Balance sheet in strong position with no fundraising necessary for going concern, cash balance at end of year \$63 million
- Debt : Equity ratio decreased to 33% from 55%

Sources and Uses of Cash 2011 Financial Year (\$ millions)



Balance Sheet repaired provides stability



Key Financial Initiatives

Cash flow discipline

- Detailed cash management continuing
- Burn-rate reduced, liabilities / commitments restructured to fit with future cash flow

Equity raisings

- \$122 million Entitlement Offer
- \$14 million Placement

Longterm debt reduced and restructured

- Restructured to provide near term cash for Crux commercialisation, de-leveraged and de-risked

Unsecured Subordinated Notes restructured

- Re-profiled maturities to align with Crux commercialisation

... stabilised the business



“Ambitions shaped by a passion for growth and technical innovation
with a foundation of business and operational integrity”

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