



Market Update

Crux Commercialisation

- Documentation for integrated gas and liquids development on track to sign late April
- Government meetings to review title requirements for an integrated development have commenced
- Approaches from several industry players interested in Crux equity

CEO Appointment Process

- Global recruitment process near complete and on track to deliver high calibre and experienced CEO
- New CEO to work with the Board and continue focus to commercialise value for shareholders

Crux Commercialisation

Nexus Energy Limited (**Nexus**) refers to the announcement on 19 January 2012, relating to the non-binding Heads of Agreement (**HoA**) for a Shell Development (Australia) Pty Ltd (**Shell**) led integrated gas and liquids development for the Crux asset, and advises that the documentation process is progressing well. Signing remains on target for late April.

Once completed, participating interests for the new Joint Venture will be Shell (becoming Operator) holding 80%, Nexus 17% and Osaka Gas Crux Pty Ltd (**Osaka Gas**) 3%. Nexus also has a 12-month option to sell 2% of its participating interest in the new Joint Venture to Shell for A\$75 million.

As previously announced, the agreement is subject to a number of conditions, including relevant regulatory approvals and an amendment of the terms of the existing production licence consistent with the integrated project development. Nexus confirms that Shell, Osaka Gas and Nexus have attended requisite Government meetings to consider the title requirements for the existing AC/L9 production licence under an integrated development strategy.

Nexus also advises that following the announcement of the HoA, the company has been approached by several large energy companies expressing interest to acquire part of Nexus' Crux equity in the new Joint Venture in order to secure access to long term LNG rights. All parties have been advised that such opportunities cannot be pursued until after settlement.

Chairman Michael Fowler commented, "The industry has expressed considerable interest in our Crux asset. This transaction provides Nexus with certainty for commercialisation of the Crux asset with planned production through Shell's Floating LNG project with a substantial interest and exposure to future LNG sales. These LNG off take rights are a primary focus for many countries around the world needing to secure energy reserves."

CEO Appointment Process

Nexus Energy Limited (**Nexus**) advises that the global recruitment process for a Chief Executive Officer (**CEO**) has produced a short list of highly motivated, experienced and quality candidates. In the past two weeks Nexus has narrowed down the list to two candidates, who are now engaged in final discussions. All final candidates have recognised the inherent corporate value post settlement of the Crux integrated gas and liquids development, and the opportunities which will follow.

Chairman Michael Fowler said, "The calibre of the final candidates is impressive and has made the Board's selection process quite difficult. The recruitment process is nearly complete and we expect to be finalising matters and announcing our new CEO in the short term."

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