
Securities proposed to be reinstated to quotation on Release of Independent Expert's Report

As previously announced, the securities of Nexus Energy Limited (**Nexus** or **Company**) have been in voluntary suspension since 25 February 2014 following the Longtom gas production outage.

On 31 March 2014, the Company announced that it had entered into a conditional Merger Implementation Agreement (**MIA**) with Seven Group Holdings (**SGH**) in relation to the proposed acquisition by SGH of all of the issued shares in the Company by way of a Scheme of Arrangement (**Scheme**). It was also reported that Nexus and SGH had entered into a four month Bridge Facility for up to \$40 million. As part of the 31 March 2014 announcement, Nexus announced that it considered that it would be important for shareholders to read the independent expert's report which would be contained in the scheme booklet along with other material information. On this basis, the Company anticipated that it would not be in a position to apply to ASX for the lifting of the suspension of quotation of the Company's securities before the date of lodgement with ASX of the scheme booklet.

On 11 April 2014, the Company provided an update on operational matters and announced that the suspension of the Company's securities would continue in light of the Company's current difficult financial condition and the requirements of ASX Listing Rule 12.2.

There has been no change to the Company's financial position since 11 April 2014 and as such the Company's financial viability remains dependent upon the support of SGH in accordance with the terms of the Bridge Facility, the MIA remaining in force and ultimately on the outcome of the Scheme. Shareholders should refer to the announcements made on 31 March 2014 and 11 April 2014 for details of the terms of the Bridge Facility and the MIA and their implications on Nexus' financial position.

However, since the 11 April 2014 announcement, ASX has advised that it now considers, in the absence of any further information or any new matter which comes to light, that the Company's securities should be reinstated to quotation immediately following the release of the independent expert's report to the market. The Company expects the independent expert's report to be in a form which is suitable for disclosure once the Scheme Booklet (which will include the Independent Expert's Report as an annexure) is finalised and approved by the Court for despatch to shareholders.

The Company maintains its view that it is important for shareholders to read the independent expert's report as it will provide an analysis of the Company's financial position and will include important information relating to its view of the value of the Company's securities. It will include a valuation of the Company on an orderly realisation of assets basis given the potential for the Company to be placed in voluntary administration if the Scheme does not proceed, if an alternate proposal does not emerge which provides adequate funding to immediately repay the amounts outstanding under the Bridge Facility, the Senior Facility and to repay the Notes in accordance with their terms or if SGH does not grant any waivers from the payment obligations under the Bridge Facility and the Senior Facility.

Based on the current timeline for the Scheme, as set out in the MIA, the Company anticipates that it will be able to release the independent expert's report to the market on or around 7 May 2014.

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