



Nexus Energy Limited Annual General Meeting

17 November 2011

River Room 1 & 2
Crown Towers
8 Whiteman Street
Southbank Victoria

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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.

Michael Fowler

Chairman

Annual general meeting program

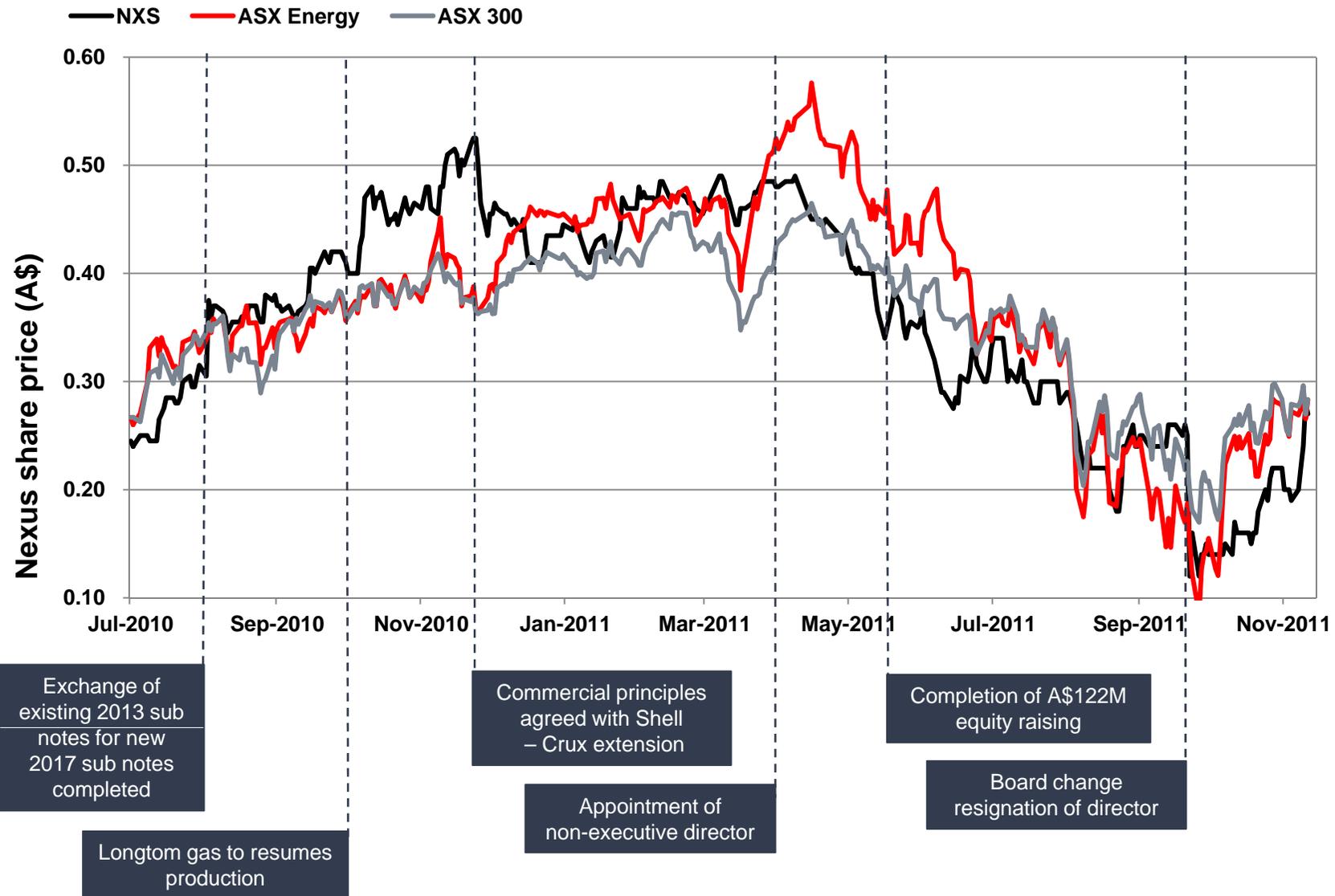


- Open meeting & chairman's address Michael Fowler – Chairman
- Corporate update Michael Fowler – Chairman
- Browse asset overview Ian Boserio – Director
- Longtom gas project update Ian Boserio - Director
- Crux liquids project update Mike Maloney – Chief operating officer
- Formal business
- Shareholder questions

Key achievements for the year were as follows

- Renewed commercial and strategic focus rebuilding the balance sheet to provide platform for future growth
- Completed the exchange offer of notes with 86% acceptances to align future repayments more closely to Crux commercialisation timetable and future cash flow
- Recommencement of production at Longtom following successful installation of mercury removal equipment on time and on budget
- Further enhancement of board skills with the appointment of John Hartwell as non-executive director
- Completed \$122 million capital raising to provide funds to be used for clearly stated objectives
 - Completed Longtom debt restructuring, enabling increased near-term free cash flow to be applied to fund growth objectives, specifically Crux commercialisation
 - Drilling of Longtom South as a foundation for the next phase on growth in Gippsland basin
 - Progressing the Crux liquids project to final investment decision (FID)

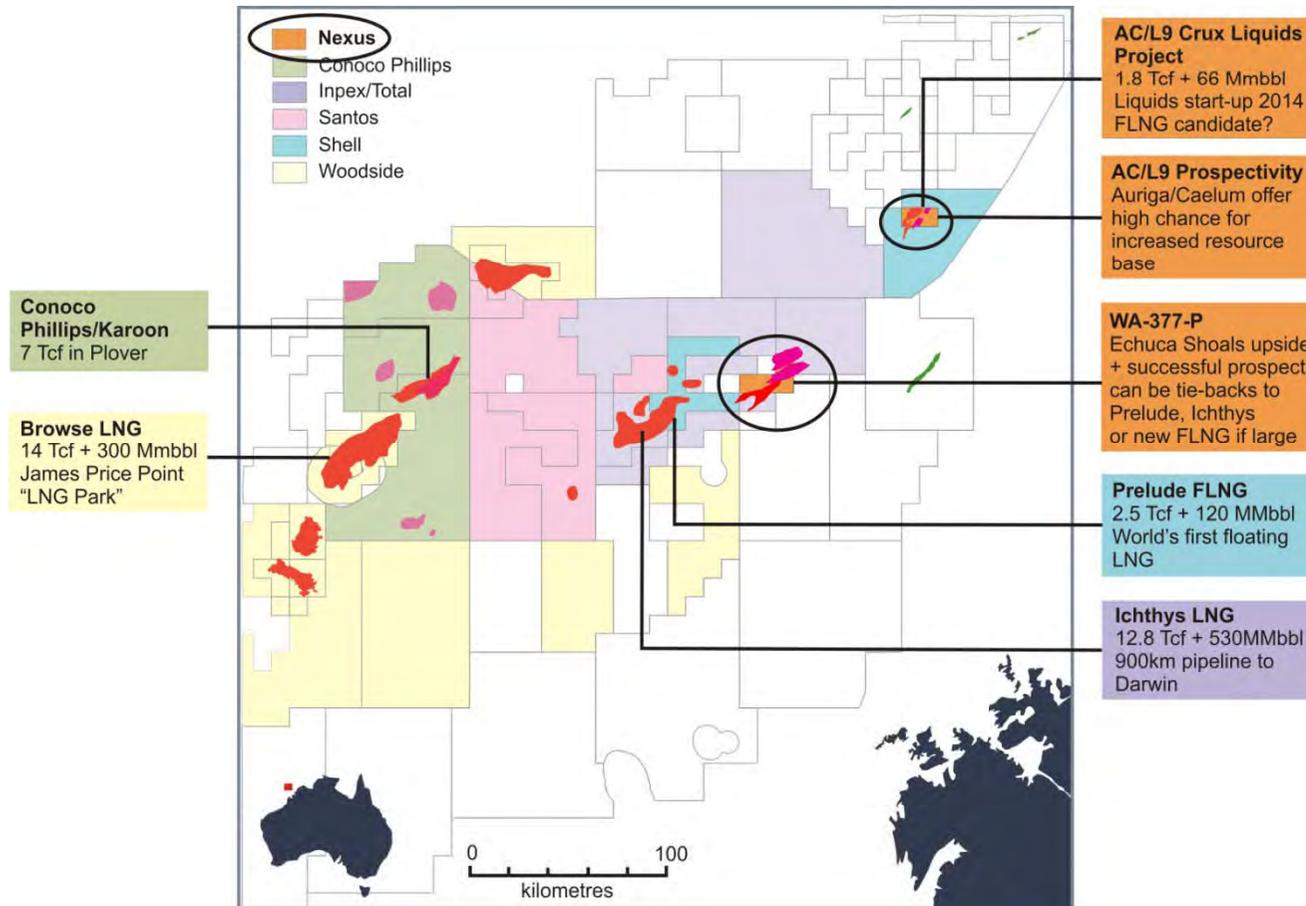
Year in review – share reference



Ian Boserio
Director

**Browse asset
overview**

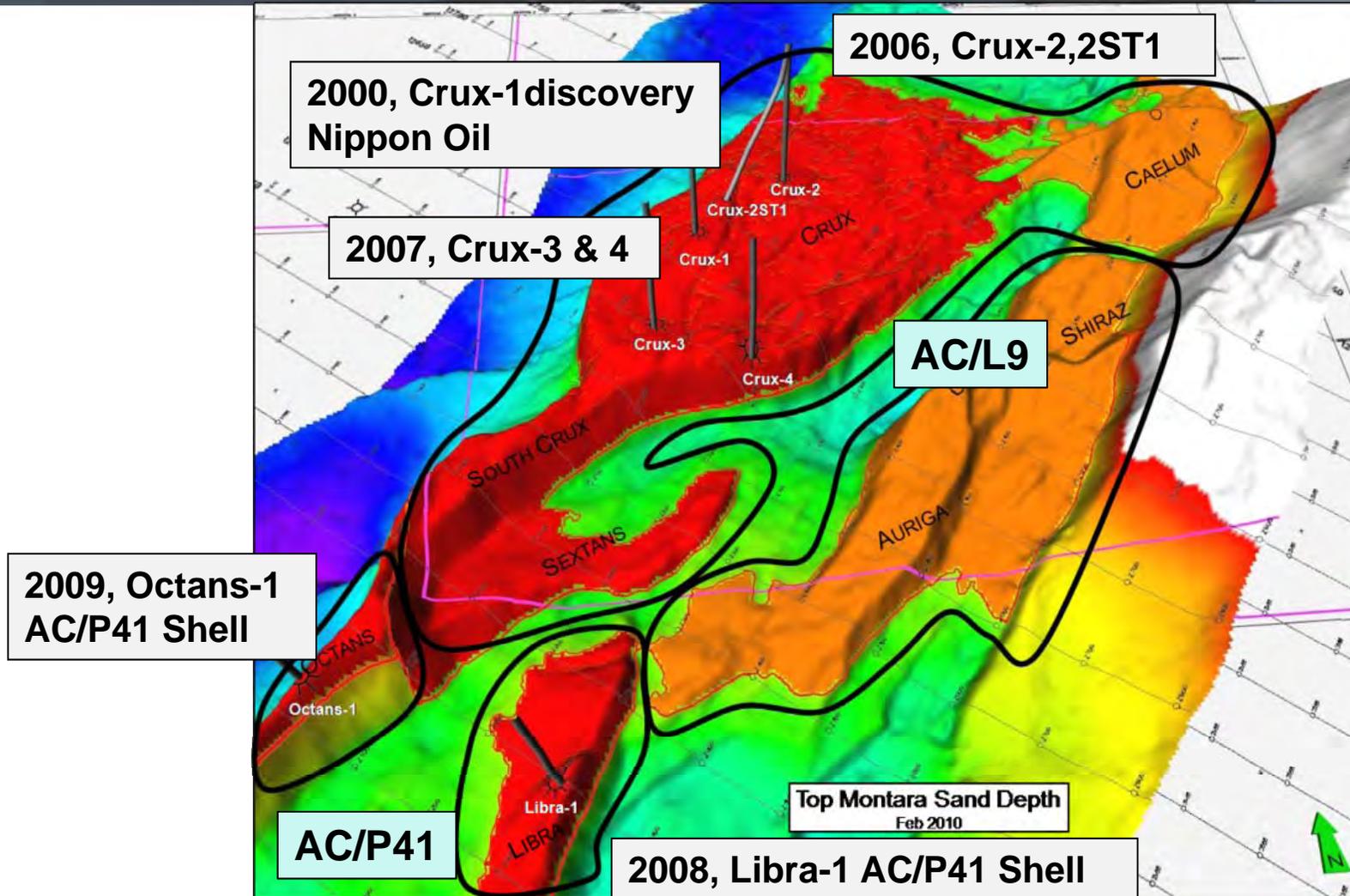
Nexus position in the Browse basin



- A world class petroleum system characterised by large condensate rich gas reserves
- 10 major discoveries to date with ~40Tcf gas and ~1.2 billion bbls condensate
- Nexus permits proximate to several Tier 1 LNG projects nearing development - Prelude FLNG, Browse and Ichthys

Quoted volumes for non Nexus assets sourced from public domain information

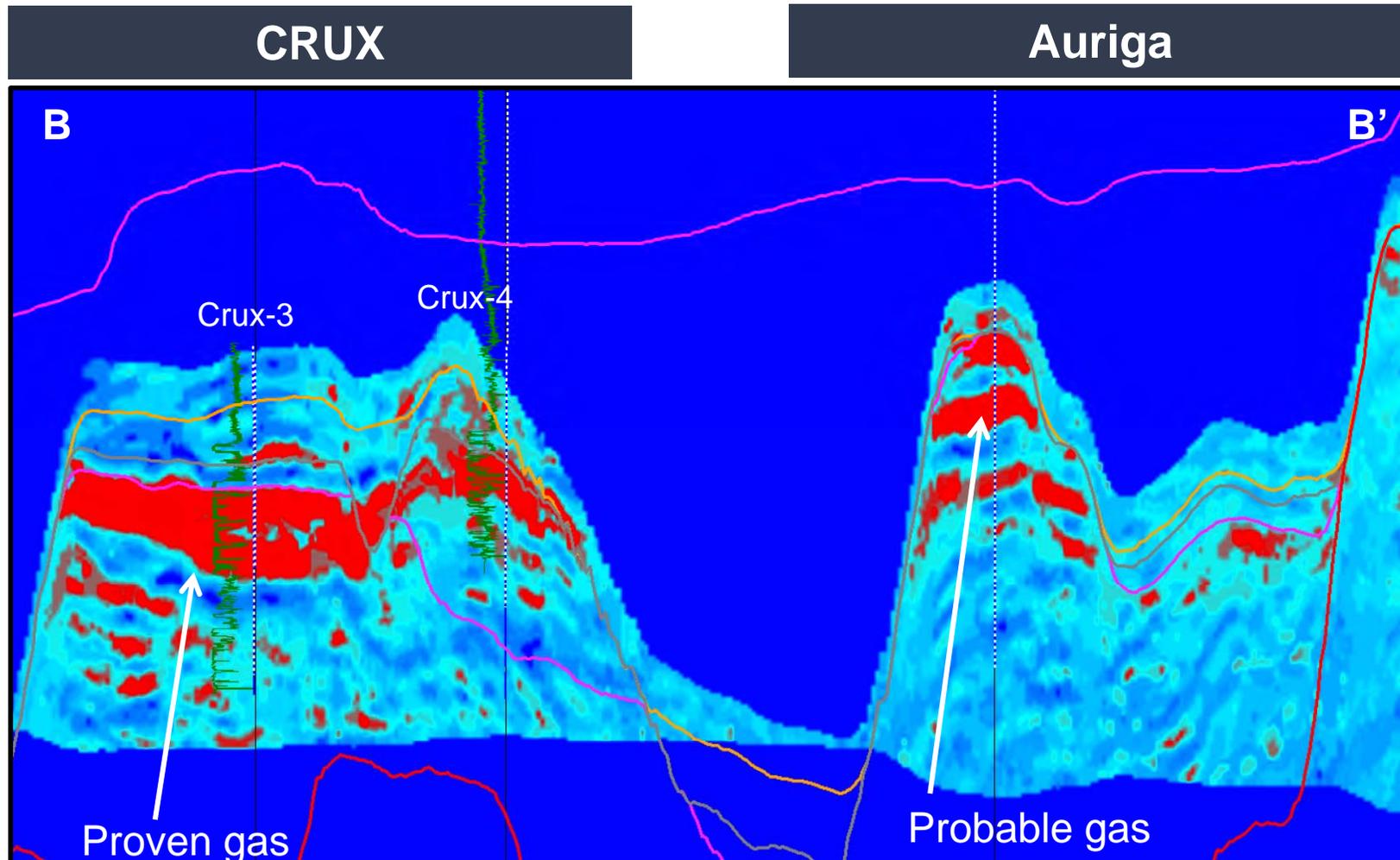
Crux exploration & appraisal drilling history



Crux: GCA Update: 59 - 65 -73 mmbbl Contingent Resource

Auriga: Mean success volume 0.85Tcf gas, 28 mmbbl

Auriga is an attractive prospect

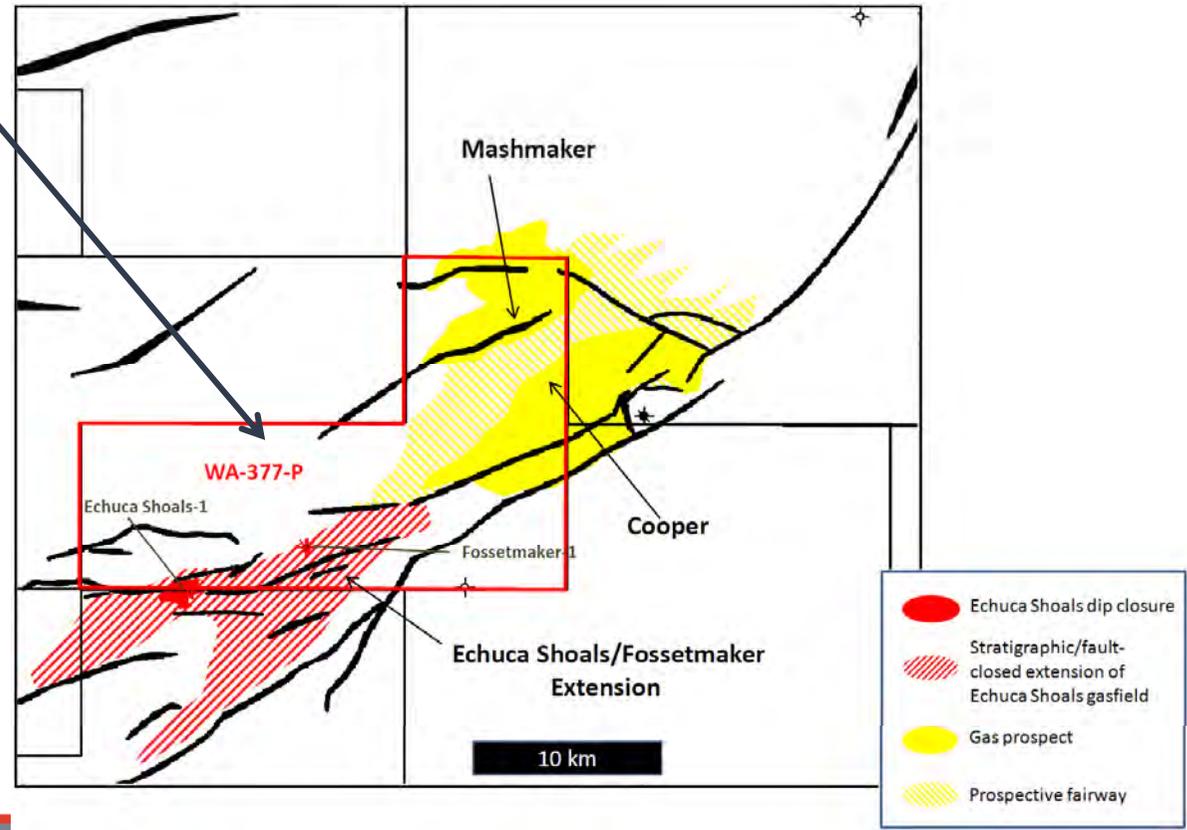


Inversion based “gas pay probability” section – red is high probability

Echuca Shoals permit WA-377-P



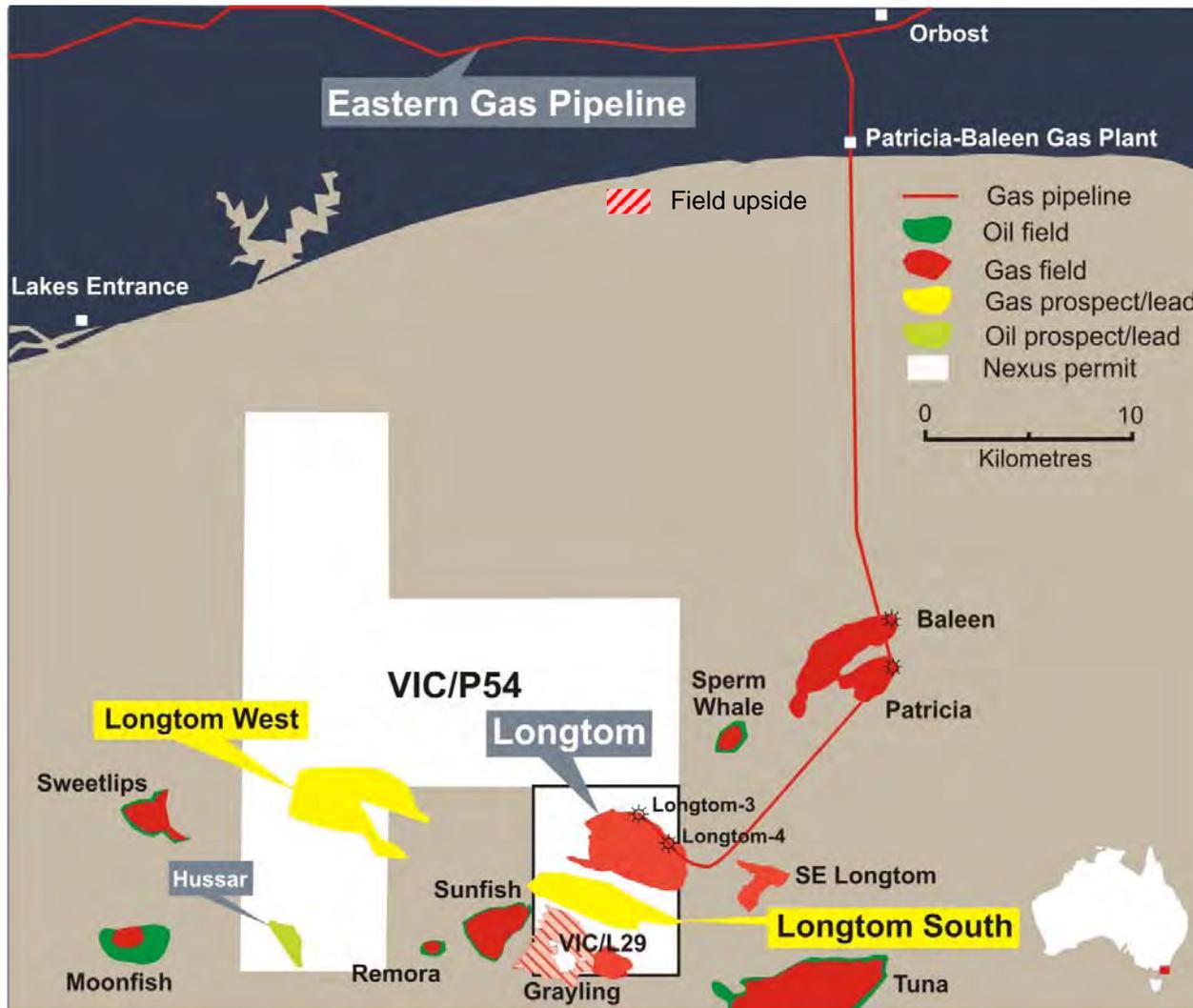
PROSPECT Gas/Condensate	UNRISKED IN PLACE VOLUMES WA-377-P area
ES/Fossetmaker	0.5 Tcf / 30 MMbbls
Cooper	2.6 Tcf /156 MMbbls
Mashmaker	2.2 Tcf / 132 MMbbls



Ian Boserio
Director

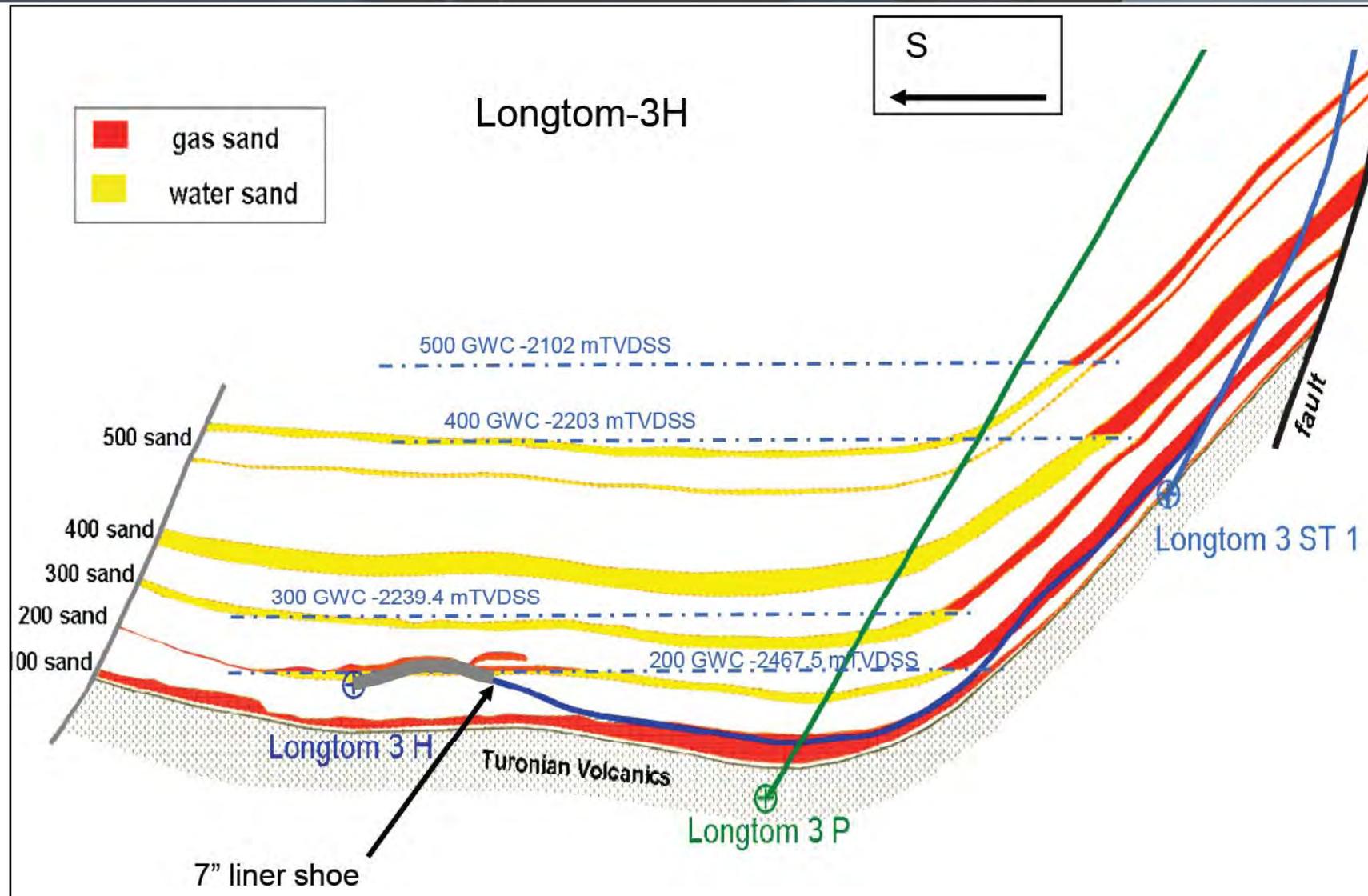
**Longtom gas project
update**

Update on Longtom permit



- Longtom field: supplying gas to P-B plant from LT-3 and LT-4 wells
- Reservoir complexities
- Resource audit underway
- Interim asset write-down
- Longtom South
Planned for drilling 2012
- Grayling discovery
Commercial ?
- Longtom West
Reprocessing seismic
- SE Longtom
Esso/BHP discovery on trend with Longtom.
Development planned

Longtom is a complex field: L-3 schematic



Six low permeability reservoirs, faulting, comingled flow from 4 sands

Supplying gas per GSA, but concerns on reservoir complexity

- Produced 30 PJ to date, high rates during 2011 winter demand
... but data indicates L3, L-4 draining significantly less of field than planned

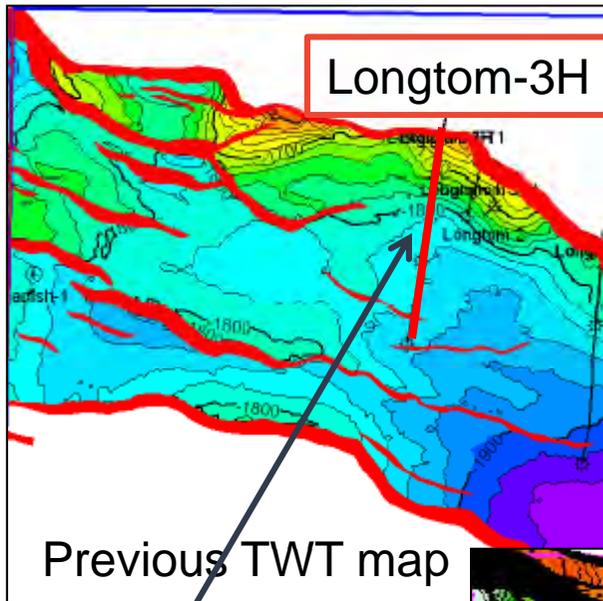
Since field startup had benefit of

- Reprocessed seismic → improved imaging, mapping
- Special geophysical products (eg AVO inversion) → better definition of gas-bearing sands, production data, particularly since mercury shutdown

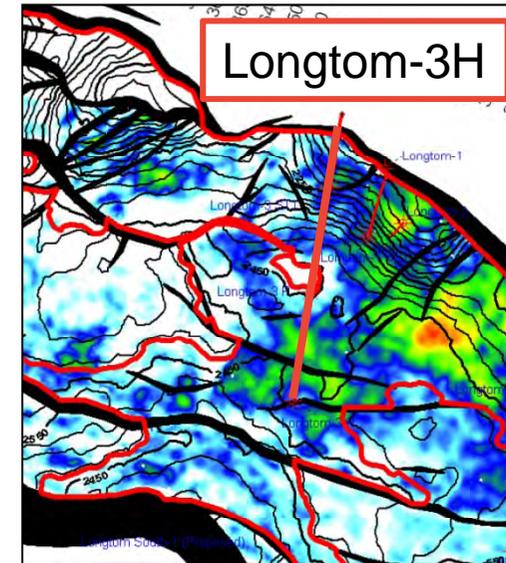
Studies over last year → changes in subsurface model

- Detailed re-mapping of all 6 reservoirs
- More faulting, likely unconnected reservoir units
- Re-building better reservoir model

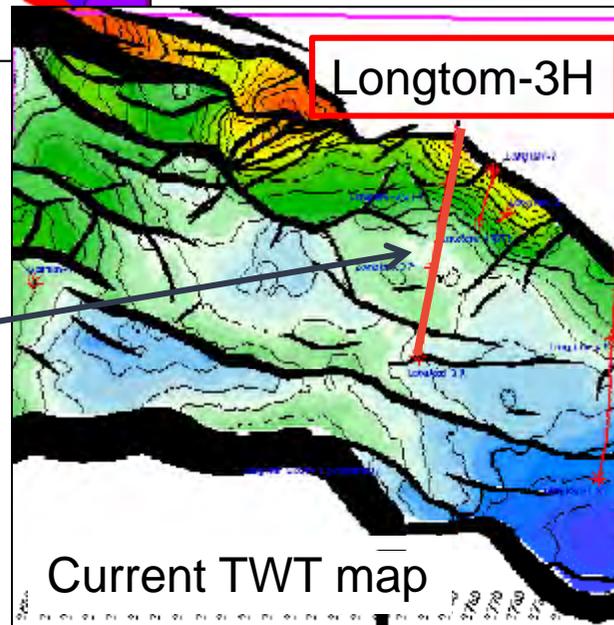
Longtom field faulting at Top 200 sand



Limited faulting along well path



Fluid index factor shows gas zones in green/orange now separated by faults



Faulting to the north and east now significant

Completed geological studies and seismic mapping

Engaged independent auditor (GCA) to update gas resource estimates

- Currently calibrating model around L-3, L-4 to actual production
- Creating new reservoir model

Still have to:

- Revise in-place volumes for all reservoir units, agree recovery factors
- Examine options and economics of additional production wells

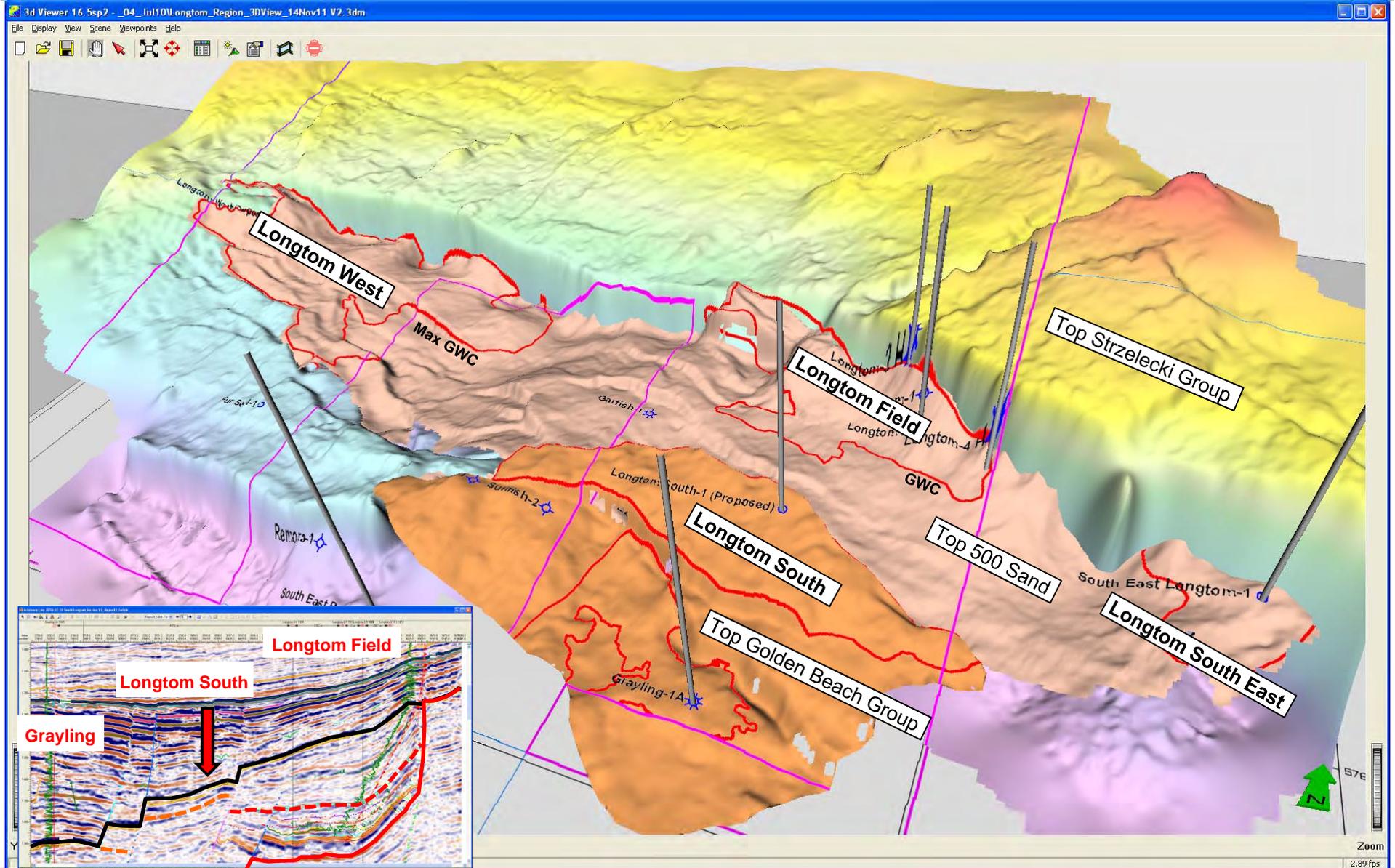
Audited reserves estimate by early February 2012

Anticipate:

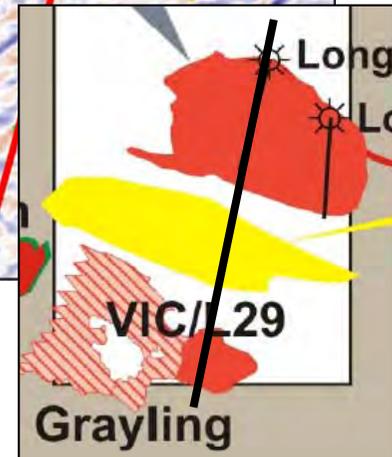
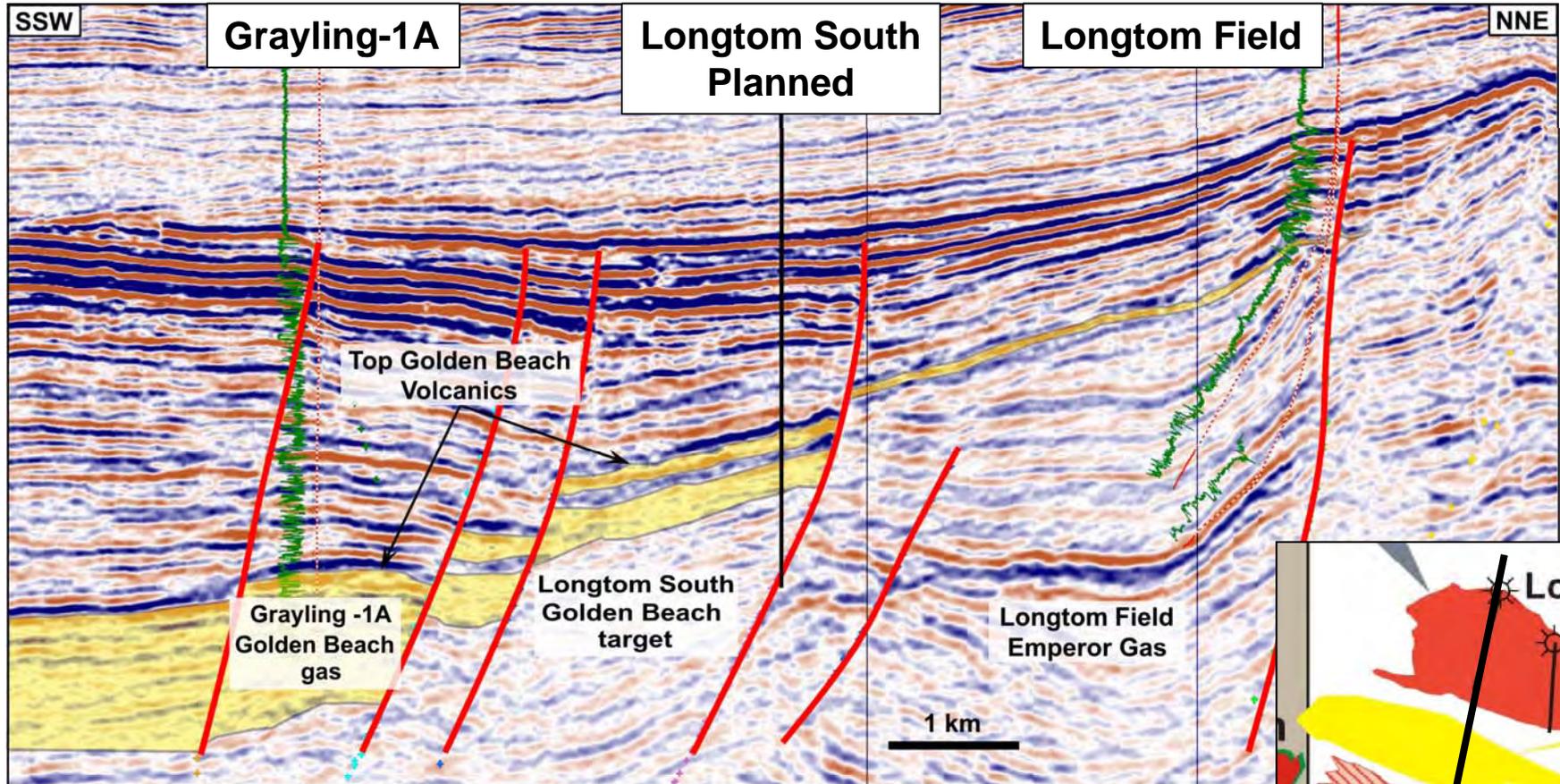
- Part of 'Proven' resource may move to 'Contingent' category
- Drill plans brought forward

.....but need to complete work, full report in new year

Longtom area opportunities

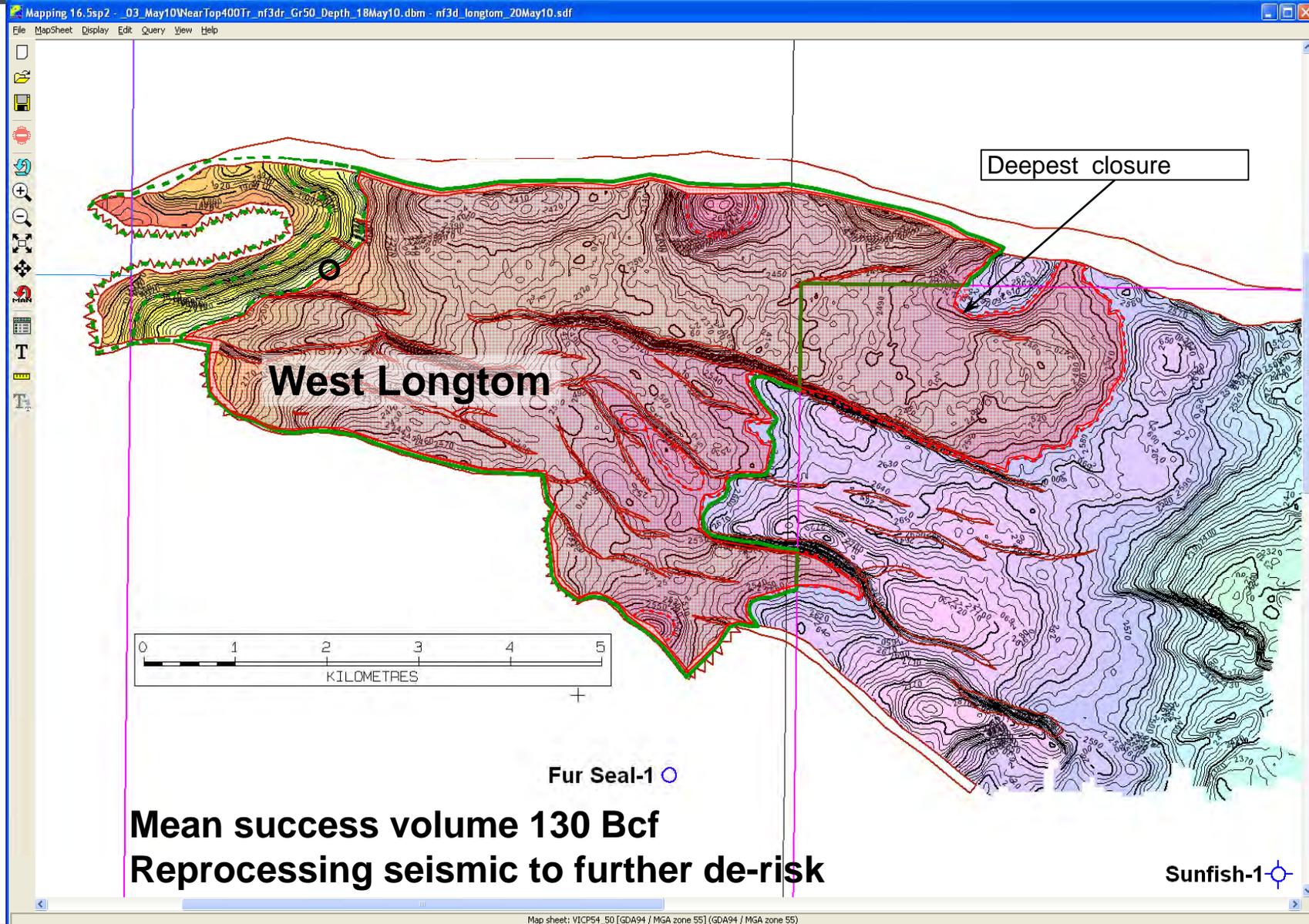


Seismic over Longtom South similar to Grayling gas

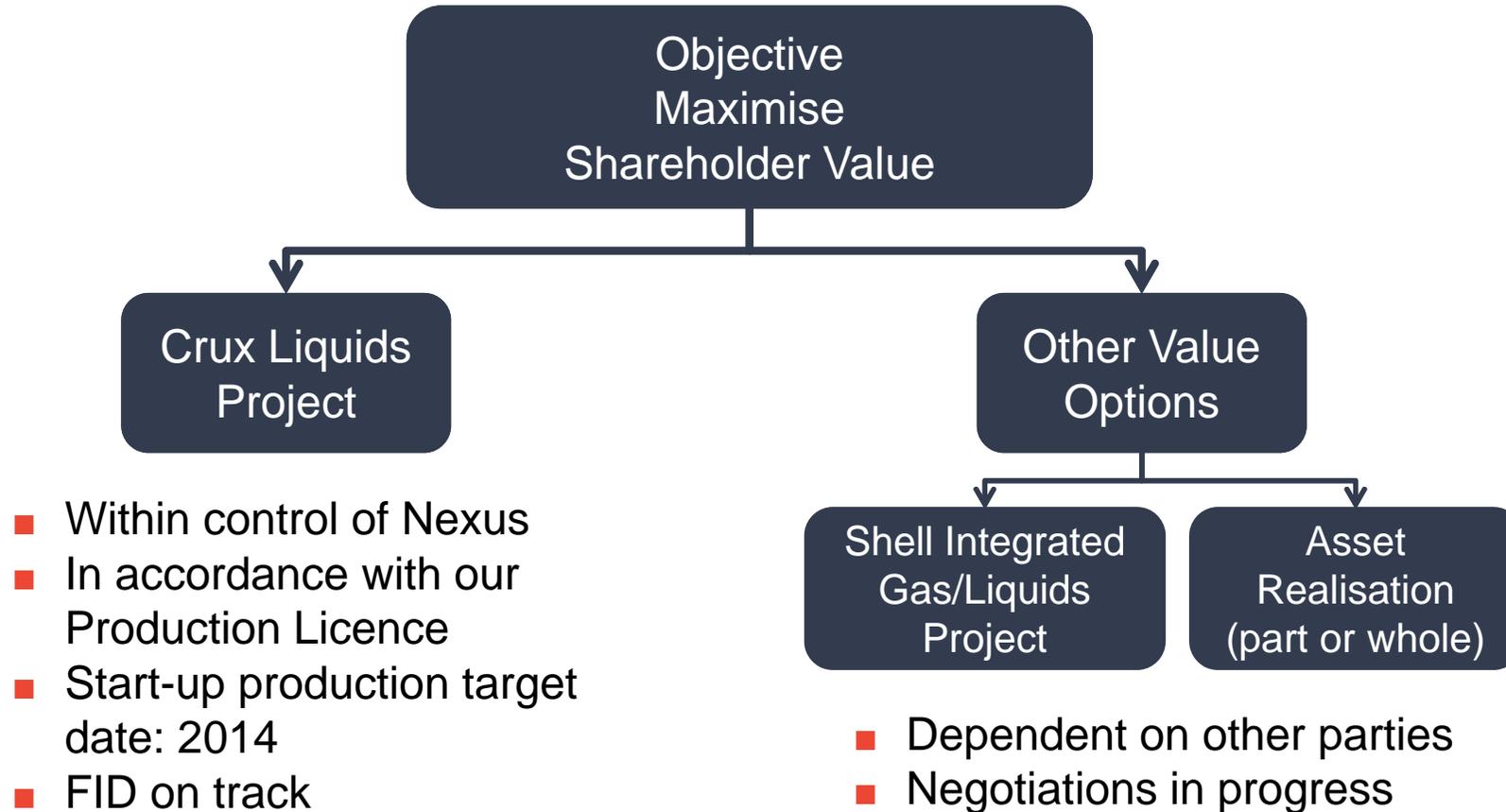


Longtom South mean success case ~ 200 bcf

Longtom West prospect

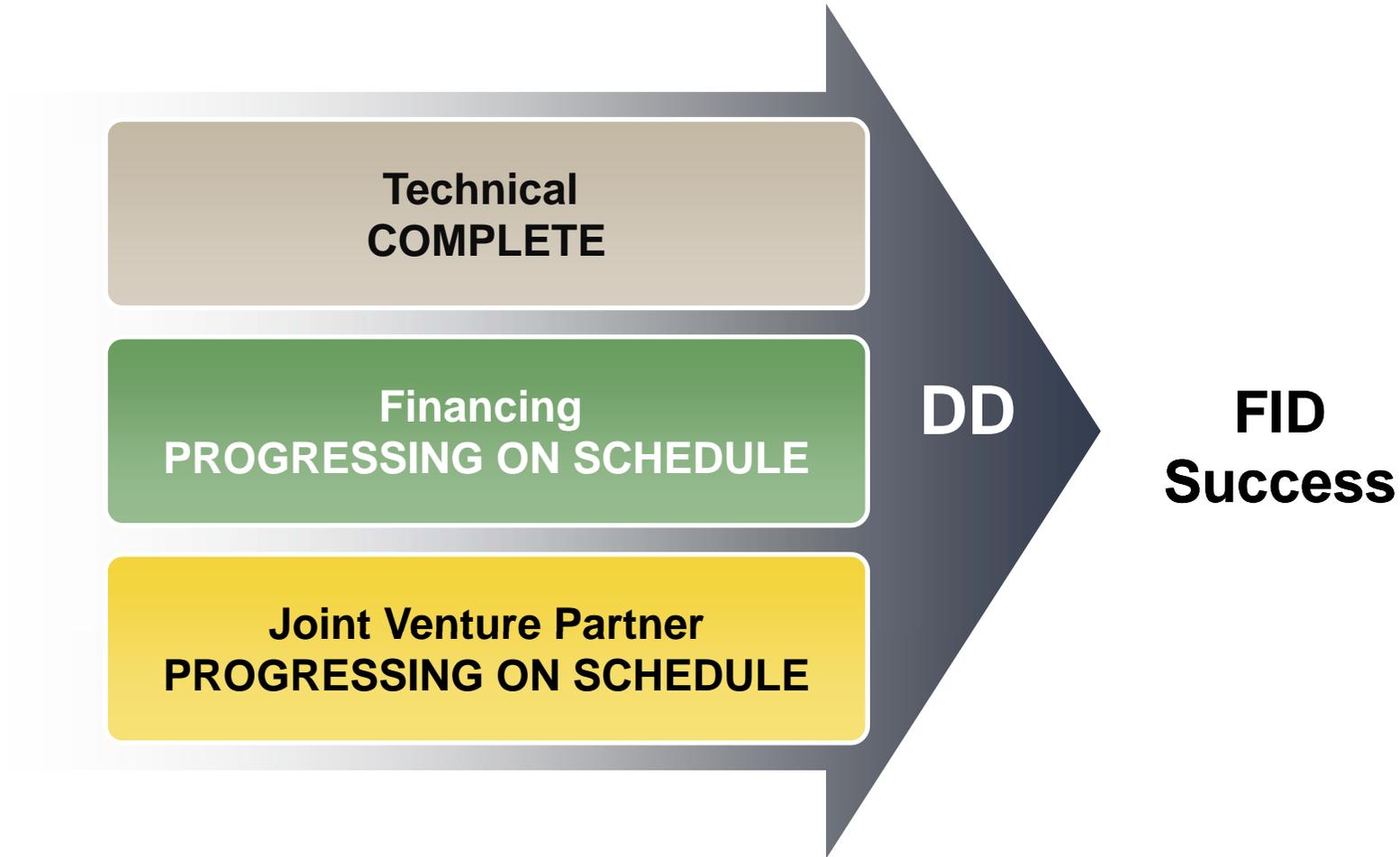


Mike Maloney
Chief operating officer
Crux liquids project
update



Confirm FID when we have evaluated all of these options

Achieving FID for Crux liquids project



Independent validation in progress

FPSO design and award ready - LSTK

FPSO

Drilling

- Rig interest confirmed

Subsea

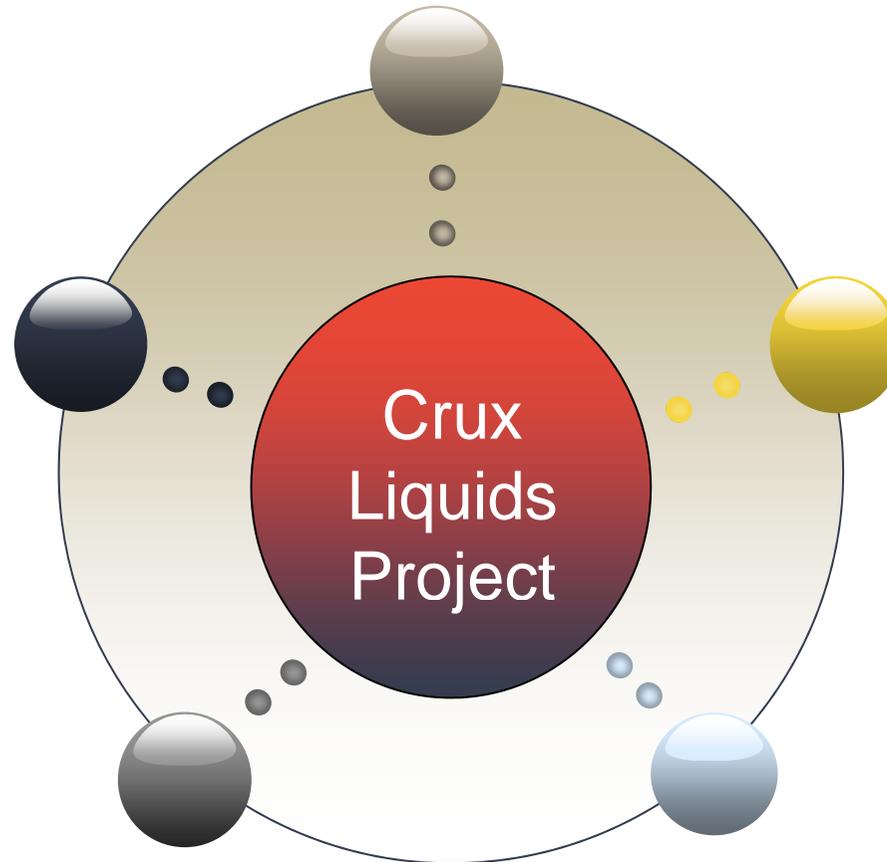
- Hardware contracts in place
- Installation tenders validated

Regulatory / HSE

- On Track

Project Management Team

- Team mobilised



Funding

- Nexus is well advanced on track for FID early 2012
- Lenders' currently conducting due diligence and risk assessments on FID process

Joint venture partner for development

- Crux liquids project needs an additional joint venturer in the asset in order to achieve FID
- A joint venture partner has been identified and negotiations are well advanced
- Osaka Gas is in agreement to maximise asset value

Project is robust

- Cost and schedule confirmed by pre-FID work
- Competition from multiple vendors for FPSO, drilling and subsea delivery
- Project economics robust across various capex and schedule sensitivities

Financing

- Multiple financing options being advanced.

Joint venture partner

- Potential joint venture partner completing due diligence with a binding proposal expected in next few weeks

Crux liquids project is on schedule to FID

What an FPSO looks like



FPSO courtesy of BHPB Petroleum, Pyrenees, built in China



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

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