



Nexus announces A\$122 million pro rata renounceable entitlement offer – provides Nexus with solid foundation to further its core value realisation strategy

Nexus Energy Limited (Nexus) today announces a fully underwritten 3 for 10 accelerated renounceable entitlement offer (Offer) to all eligible shareholders to raise approximately A\$122 million.

The capital raising is an important step in the achievement of Nexus' stated corporate objectives, put in place in May 2010:

- de-risking the Company; and
- de-risking the Crux asset thereby unlocking its inherent value

The raising will enable Nexus to:

- restructure the existing Longtom debt facility;
- fund the Crux liquids project through to final investment decision (FID) this calendar year; and
- pursue a targeted drilling strategy at Longtom South – a 100% owned major gas development prospect with mean unrisks prospective resources of approximately 200bcf, which provides the potential for a foundation domestic gas / electricity exposure.

Nexus Managing Director Richard Cottee said:

"Today's announced raising will ensure a solid foundation upon which Nexus can further its core strategy of growth and unlocking value, in particular via the commercialisation of the Crux liquids project on which we intend to make a FID this calendar year. Post the raising, Nexus will be a stronger company with greater value potential."

The offer price of A\$0.40 per share represents a 18.4% discount to the closing price of Nexus shares on Friday 8 April 2011 and a 14.8% discount to the theoretical ex-rights price (TERP).

Nexus' largest institutional shareholder M&G Investment Management has committed to take up its entitlement in full.

New shares issued under the Offer will rank equally with existing Nexus shares. Renounced entitlements will be sold via the institutional and retail bookbuilds, with any proceeds in excess of the issue price returned to renouncing shareholders.

Deutsche Bank AG, Sydney Branch and RBS Morgans Corporate Limited are Joint Lead Managers, Joint Bookrunners and Joint Underwriters of the Offer. Southern Cross Equities Limited is Broker to the Offer.

Key dates for the Offer are:

| Event | Date and time ¹ |
|---|----------------------------|
| Trading halt Announcement of Entitlement Offer Institutional Entitlement Offer opens | Monday 11 April 2011 |
| Institutional Entitlement Offer closes | Tuesday 12 April 2011 |
| Institutional Bookbuild closes | Wednesday 13 April |
| Record Date | 7pm Thursday 14 April 2011 |
| Retail Entitlement Offer opens | Tuesday 19 April 2011 |
| Settlement of Institutional Entitlement Offer and Institutional Bookbuild | Thursday 21 April 2011 |
| Issue of New Shares under the Institutional Entitlement Offer and Institutional Bookbuild New Shares issued under the Institutional Entitlement Offer and Institutional Bookbuild commence trading on a normal settlement basis on ASX | Wednesday 27 April 2011 |
| Retail Entitlement Offer closes | 5pm Wednesday 11 May 2011 |
| Retail Bookbuild | Monday 16 May 2011 |
| Settlement of Retail Entitlement Offer and Retail Bookbuild | Thursday 19 May 2011 |
| Issue of New Shares under the Retail Entitlement Offer and Retail Bookbuild | Friday 20 May 2011 |
| New Shares issued under the Retail Entitlement Offer and Retail Bookbuild commence trading on a normal settlement basis on ASX | Monday 23 May 2011 |

1. Dates and times are indicative only and are subject to change. All dates are 2011 and times refer to AEST

Important Information

This release, including the information contained in this disclaimer, is not a prospectus and does not form part of any offer, invitation or recommendation in respect of securities, or an offer, invitation or recommendation to sell, or a solicitation of an offer to buy, securities in the United States or to any person that is, or is acting for the account or benefit of, a "U.S. person" (as defined in Regulation S under the United States Securities Act of 1933 (Securities Act)) (U.S. Person), or in any other jurisdiction in which such an offer would be illegal. The securities referred to herein may not be offered or sold in the United States, or to or for the account or benefit of, any U.S. Person, unless the securities have been registered under the Securities Act or an exemption from the registration requirements under the Securities Act is available. The offer or sale of the securities referred to herein have not been and will not be registered under the Securities Act. The distribution of this release in other jurisdictions outside Australia may also be restricted by law and any such restrictions should be observed. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

The resources information contained herein, in relation to the Longtom South, has been compiled by Keith Edwards, General Manager Business Development and Corporate Planning. Mr. Edwards' qualifications include a degree in physics from Monash University, Melbourne and more than 20 years of relevant experience. Mr. Edwards is a full time employee of Nexus and has consented in writing to the inclusion of this information.

Susan Robutti
Company Secretary

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