

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 1/7/96. Origin: Appendix 5. Amended 1/7/98, 1/9/99, 1/7/2000, 30/9/2001, 11/3/2002, 1/1/2003, 24/10/2005.

Name of entity

Nexus Energy Limited

ABN

64 058 818 278

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | | |
|---|--|---|
| 1 | +Class of +securities issued or to be issued | Fully paid ordinary shares. |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | 163,874,821 fully paid ordinary shares (<i>New Shares</i>) pursuant to settlement of the retail component (<i>the Retail Entitlement Offer</i>) of the accelerated renounceable entitlement offer (<i>the Entitlement Offer</i>) described in the ASX Announcement and Investor Presentation lodged with the ASX on 11 April 2011. |
| 3 | Principal terms of the +securities (eg, if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | Fully paid ordinary shares. |

+ See chapter 19 for defined terms.

<p>4 Do the ⁺securities rank equally in all respects from the date of allotment with an existing ⁺class of quoted ⁺securities?</p> <p>If the additional securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 	<p>Yes, the New Shares will rank pari passu with the fully paid ordinary shares in Nexus Energy Limited currently on issue.</p>				
<p>5 Issue price or consideration</p>	<p>A\$0.40 per New Share.</p>				
<p>6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>The proceeds of the Entitlement Offer will be used to continue the exploration and development program of Nexus Energy Limited's existing projects and to facilitate, via a part repayment of existing senior debt, a restructuring of remaining senior debt obligations to be better aligned with forecast cashflows.</p>				
<p>7 Dates of entering ⁺securities into uncertificated holdings or despatch of certificates</p>	<p>25 May 2011 for New Shares issued under the Retail Entitlement Offer.</p>				
<p>8 Number and ⁺class of all ⁺securities quoted on ASX (<i>including</i> the securities in clause 2 if applicable)</p>	<table border="1"> <thead> <tr> <th data-bbox="683 1330 983 1368">Number</th> <th data-bbox="983 1330 1283 1368">⁺Class</th> </tr> </thead> <tbody> <tr> <td data-bbox="683 1368 983 1458">1,326,337,066</td> <td data-bbox="983 1368 1283 1458">Fully paid ordinary shares.</td> </tr> </tbody> </table>	Number	⁺ Class	1,326,337,066	Fully paid ordinary shares.
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1,326,337,066	Fully paid ordinary shares.				

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	Number	+Class
9	31,844,058	Warrants expiring 15 January 2013, exercisable as 202 cents each.
	92,500	Options expiring 23 May 2011, exercisable at 219 cents each.
	359,800	Options expiring 23 May 2011, exercisable at 225 cents each.
	1,765,900	Options expiring 30 June 2012, zero exercise price.
	3,110,200	Options expiring 30 June 2013, zero exercise price.
	999,200	Options expiring 30 June 2013, zero exercise price.
10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	Same as for existing fully paid ordinary shares.

Part 2 - Bonus issue or pro rata issue

11	Is security holder approval required?	No.
12	Is the issue renounceable or non-renounceable?	Renounceable.
13	Ratio in which the +securities will be offered	3 fully paid ordinary shares for every 10 existing fully paid ordinary shares held as at the record date (see item 15 below).
14	+Class of +securities to which the offer relates	Fully paid ordinary shares.
15	+Record date to determine entitlements	7:00 pm (AEST), Thursday 14 April 2011.

+ See chapter 19 for defined terms.

16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	No.
17	Policy for deciding entitlements in relation to fractions	Where fractions arise in the calculation of shareholders' entitlements under the Entitlement Offer they will be rounded up to the next whole number of the New Shares.
18	Names of countries in which the entity has ⁺ security holders who will not be sent new issue documents Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.	All countries other than Australia, New Zealand and any other jurisdictions into which it decides to make offers.
19	Closing date for receipt of acceptances or renunciations	For the Institutional Entitlement Offer – 11:00am (AEST) on 12 April 2011. For the Retail Entitlement Offer – 5:00pm (AEST) on 11 May 2011.
20	Names of any underwriters	Deutsche Bank AG, Sydney Branch and RBS Morgans Corporate Limited.
21	Amount of any underwriting fee or commission	Institutional Entitlement Offer – an underwriting fee of 2.25% and a management fee of 0.5% of the Institutional Entitlement Offer proceeds. Retail Entitlement Offer – an underwriting fee of 2.25% and a management fee of 0.5% of the Retail Entitlement Offer proceeds. Incentive fees of a further 0.25% of the offer amount are payable based on the success of each of the institutional and retail offers.
22	Names of any brokers to the issue	Southern Cross Equities Limited
23	Fee or commission payable to the broker to the issue	Payable out of the Underwriters' fee.
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of ⁺ security holders	Not applicable.

+ See chapter 19 for defined terms.

25	If the issue is contingent on +security holders' approval, the date of the meeting	Not applicable.
26	Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled	No prospectus is being produced. An offer document and entitlement and acceptance form will be sent to eligible shareholders on or before 19 April 2011.
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	Not applicable.
28	Date rights trading will begin (if applicable)	Not applicable.
29	Date rights trading will end (if applicable)	Not applicable.
30	How do +security holders sell their entitlements <i>in full</i> through a broker?	Not applicable.
31	How do +security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	Not applicable.
32	How do +security holders dispose of their entitlements (except by sale through a broker)?	Not applicable.
33	+Despatch date	27 April 2011 for New Shares issued under the Institutional Entitlement Offer. 25 May 2011 for New Shares issued under the Retail Entitlement Offer.

+ See chapter 19 for defined terms.

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

34 Type of securities
(tick one)

(a) Securities described in Part 1

(b) All other securities
Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

35 If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders

36 If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories
1 - 1,000
1,001 - 5,000
5,001 - 10,000
10,001 - 100,000
100,001 and over

37 A copy of any trust deed for the additional +securities

Entities that have ticked box 34(b)

38 Number of securities for which +quotation is sought

39 Class of +securities for which quotation is sought

<p>40 Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?</p> <p>If the additional securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 	<p>Not applicable.</p>				
<p>41 Reason for request for quotation now</p> <p>Example: In the case of restricted securities, end of restriction period</p> <p>(if issued upon conversion of another security, clearly identify that other security)</p>	<p>Not applicable.</p>				
<p>42 Number and +class of all +securities quoted on ASX (including the securities in clause 38)</p>	<table border="1"> <thead> <tr> <th data-bbox="774 1030 1077 1064">Number</th> <th data-bbox="1077 1030 1364 1064">+Class</th> </tr> </thead> <tbody> <tr> <td data-bbox="774 1064 1077 1256">Not applicable.</td> <td data-bbox="1077 1064 1364 1256">Not applicable.</td> </tr> </tbody> </table>	Number	+Class	Not applicable.	Not applicable.
Number	+Class				
Not applicable.	Not applicable.				

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Quotation agreement

1 +Quotation of our additional +securities is in ASX’s absolute discretion. ASX may quote the +securities on any conditions it decides.

2 We warrant the following to ASX.

- The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
- There is no reason why those +securities should not be granted +quotation.
- An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
- If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

4 We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here: Date: 20 May 2011
Company Secretary

Print name: Susan Robutti

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