
Longtom Debt Facility Strategic Review Update

As previously announced, most recently at the 2013 Annual General Meeting (AGM) of Shareholders on 21 November 2013, Nexus Energy Limited (Nexus or the Company) has been actively engaged with a number of third parties in pursuing a range of strategic options. These include a partial divestment of a stake in one or more of our assets and debt re-financing of the Longtom Senior Debt Facility (Longtom SDF) to support the next phase of Nexus' growth and development.

Longtom Senior Debt Facility

On 25 November 2013, BOS International (Australia) Limited (BOSI) notified the Company that the Longtom SDF had been transferred, on its existing terms, to Nomura Special Investments Singapore Pte Ltd (Nomura) and Merrill Lynch International (Merrill Lynch). As noted in the 2013 Annual Report, BOSI had previously provided notice of their intention to exit all non-core Australian operations which included the transfer of the Longtom SDF to a third-party. Post transfer, the Longtom SDF is now held equally by Nomura and Merrill Lynch.

Revised Longtom Senior Debt Facility Terms

Nexus advises that prior to the transfer of Longtom SDF, BOSI had previously consented to debt facility terms, including review event extensions, to accommodate the timelines associated with the various asset divestment processes. Following recent discussions with Nomura and Merrill Lynch, the Nexus Board of Directors has agreed to amend the existing review event provisions to provide the time necessary for the continuance of the Company's various strategic discussions with third parties. The revised terms provide for:

- A review event that includes either a debt refinance or Nexus executing a binding agreement by 2 April 2014 with a third party that will retire the outstanding Longtom SDF amount and fully cash back the undrawn \$60 million letter of credit, by 1 July 2014.
- A restatement of the principal outstanding from 2 January 2014 to:
 - \$42.4 million plus \$2 million to be capitalised on 2 January 2014; or
 - \$42.4 million plus \$5 million to be capitalised if the Company fails to execute a binding agreement described above by 2 April 2014.

Strategic Review Update

Nexus continues to be actively engaged with a number of parties as part of its ongoing asset and funding review processes. In addition, given interest received under the asset divestment process, Nexus has also informed selected parties that it would be willing to consider appropriate proposals with respect to a corporate acquisition of Nexus. In parallel to the asset divestment processes, the funding review is progressing with term sheets being developed. These processes are complex, requiring extensive due diligence by the interested parties due to the strategic and financial value that is involved.

The Company's primary objective remains to ensure that it unlocks value from its three high-quality assets, and in doing so achieves the optimum outcome for shareholders.

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