Nexus Energy Limited
2012 Annual General Meeting Presentation

22 November 2012

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

Lucio Della Martina
Managing Director

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Thank you Mr Chairman.

I would like to add my own welcome to you all and say how pleased I am to have you here with us today. As you know, this is my first Annual General Meeting as Chief Executive Officer and Managing Director of Nexus and I'm looking forward to updating you on your company, and the opportunity to meet you.

I see Nexus as a business with an outstanding portfolio of assets, but one that has not yet realised its potential. I share your disappointment at the recent share price performance.

Realising the full asset potential cannot rely on "hope", but a comprehensive plan, with clear deliverables and milestones and a high performing organisation consistently executing with excellence. If we as a management team can deliver our strategy then I have great confidence that there will be a re-rating of our shares.

Before outlining my presentation let me emphasise our usual disclaimer.

Important notice

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The information in this presentation in relation to hydrocarbon reserves at Crux is based on information compiled by Stephen Lane, Principal of Gaffney, Cline and Associates Pty Ltd (GCA). Stephen Lane has sufficient experience that is relevant to the style and nature of hydrocarbon resources and prospects under consideration.

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.

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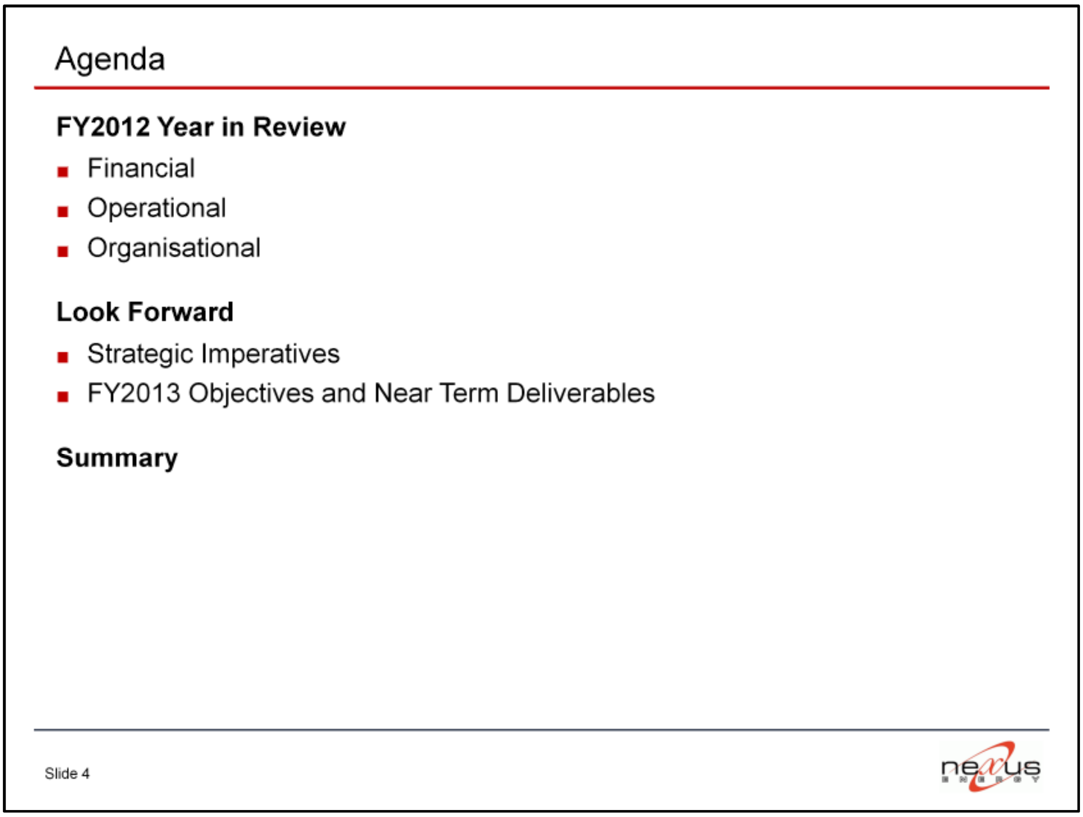
Please note that all $ are in Australian currency.

Also please note that the year in review is the 2012 financial year ending in June this year.

Today I will be providing you with a review of the past financial year and a forward view for realising the full value potential of Nexus with a focus on the existing asset base.

I will now outline the presentation structure.



Today I will review:

- The financial performance and operational achievements during FY2012 and organisational changes made to prepare the organisation for the future;
- The strategic imperatives as outlined in August 2012; and
- FY2013 objectives and near term deliverables consistent with the strategic imperatives.

Let me now turn to the financial performance of the business in FY2012.

FY2012 year in review - Financial

Solid underlying performance reported result impacted by non-recurring items

Production	17.4 PJ Gas	↑ 18.4%
Revenue	$80.7 million	↑ 21%
Reported Net Profit / (Loss) after tax Note: includes $386 million of non-recurring non-cash one off write downs	$(342.3) million	↑ from $39.2 million loss
Longtom net cash generation	$56 million ↑ 143%	
Gearing*	38%	
Cash Balance at 30 June 2012	$33.6 million	

* Gearing = net debt / (net debt + equity)

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The underlying performance of the business was solid with an improved performance from Longtom, our producing asset.

The reported Net Loss after income tax of $342.3 million was disappointing. This was the result of three non-recurring non-cash items which totalled $386 million.

- The first was a $163 million impairment of our Longtom asset following the receipt of a revised reserves report.
- The second was a $81 million impairment of the Crux Liquid's Project long lead items.
- The third item related to the reclassification of PRRT credits as an unrecognised deferred tax asset. This was written off to income tax expense and totalled $142 million.

I would now like to turn to the underlying performance of the business.

Gas production at our Longtom gas project reached 17.4 Petajoules,18.4% higher than the previous financial period with a corresponding 21% increase in revenue totalling $80.7 million.

Longtom delivered an operating profit of $14.5 million; a turnaround from the previous year's operating loss of $1.8 million.

Longtom generated strong cash flow of $56 million, an increase of 143%.

The Company's gearing ratio as at 30 June 2012 was 38% and total cash in the bank amounted to $33.6 million.

Let me now turn to our Health, Safety and Environmental performance which in our industry is of paramount importance particularly for an Operator and producer such as Nexus.

FY2012 year in review - Health, safety and environment

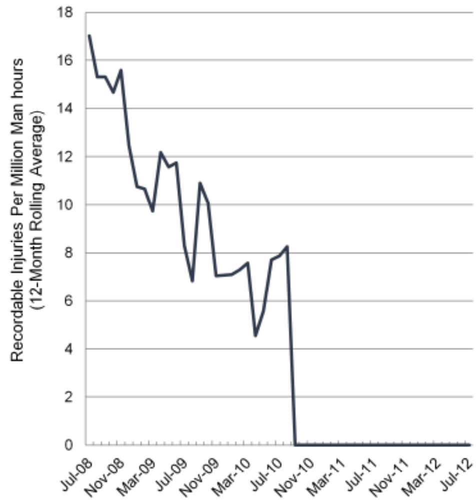
Uncompromising commitment to health, safety and environment

Health and Safety

- No recordable or reportable incidents
- Total recorded hours of 62,660
  - 13,056 relating to the four Longtom offshore intervention activities

Environmental

- Hydraulic leak in Longtom-4's control line identified and software modified to significantly reduce the leak rate, hardware solution is available.
- Longtom Revised Environment Plan accepted by the Department of Primary Industries



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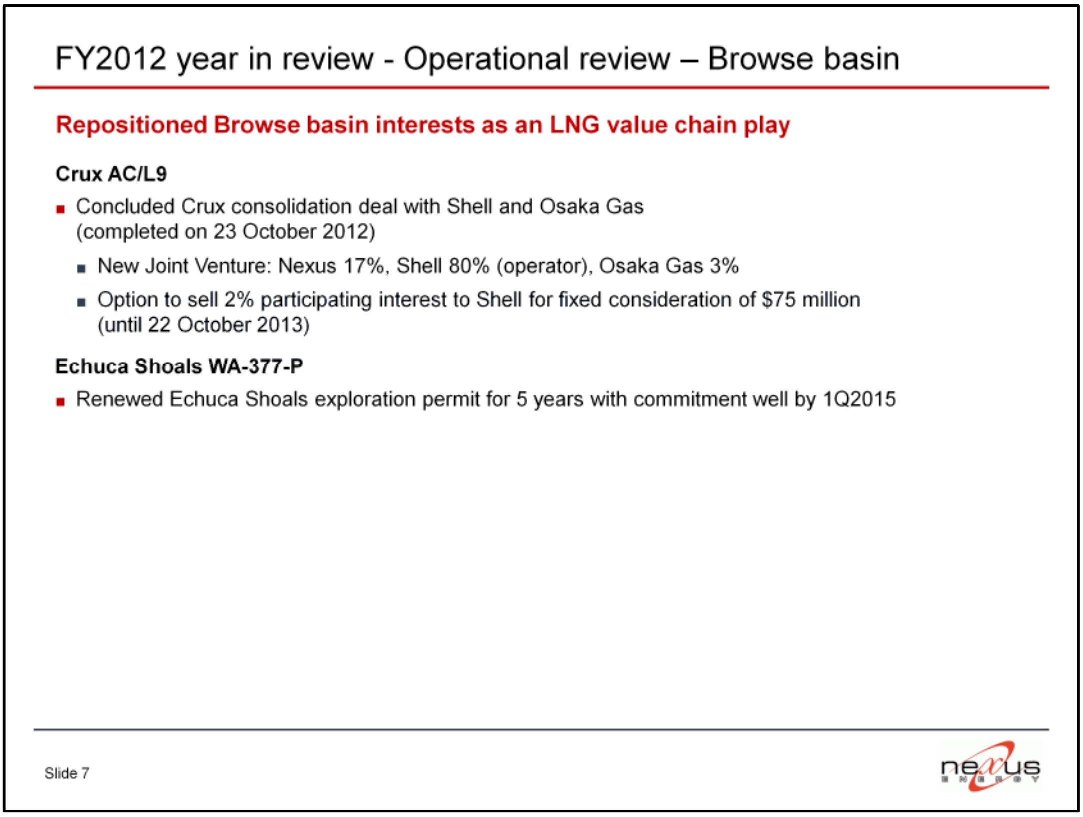
Nexus is committed to a zero-harm approach and continues to work towards that goal. I am pleased to note that there were no recordable or reportable incidents during the 2012 Financial Year.

Our aim is to maintain this high performance standard.

Let us now review our two areas in which we operate starting with the Browse basin.



In August 2012, Nexus, Shell and Osaka Gas executed consolidation agreements in relation to AC/L9 which includes the high quality Crux field. This resulted in the creation of a single aligned joint venture with participating interests of 17% Nexus, 80% Shell, who will act as operator, and 3% Osaka Gas.

Following completion of the transaction, on 23 October with Title Registration, Nexus became entitled to exercise an option to sell a 2% interest in Crux to Shell at a fixed price of $75 million. The entitlement to exercise that option remains in place for twelve months, until 22 October 2013.

The Echuca Shoals exploration permit was extended by a five year term with a commitment well required by March 2015.

With the Crux consolidation agreement and the extension of the Echuca Shoals permit, Nexus has repositioned its Browse assets into an LNG value chain play.

I see this as transformational for the business and our shareholders and I will come back to this later as I outline where we take the opportunity from here.

Let us now review Nexus' producing asset, Longtom.

FY2012 year in review - Operational - Longtom

Operational issues addressed, Longtom repositioned for next phase of development

- Increased production volumes
- Improved system availability achieving 91%
- Completed planned offshore maintenance programs without incident, on time and on budget
- Recalibrated of Reserves and confirmed Reserves sufficient to meet contractual obligations

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For the second year in a row, we increased production volumes and improved system availability.

All planned offshore maintenance programs were completed without incident, on time and budget.

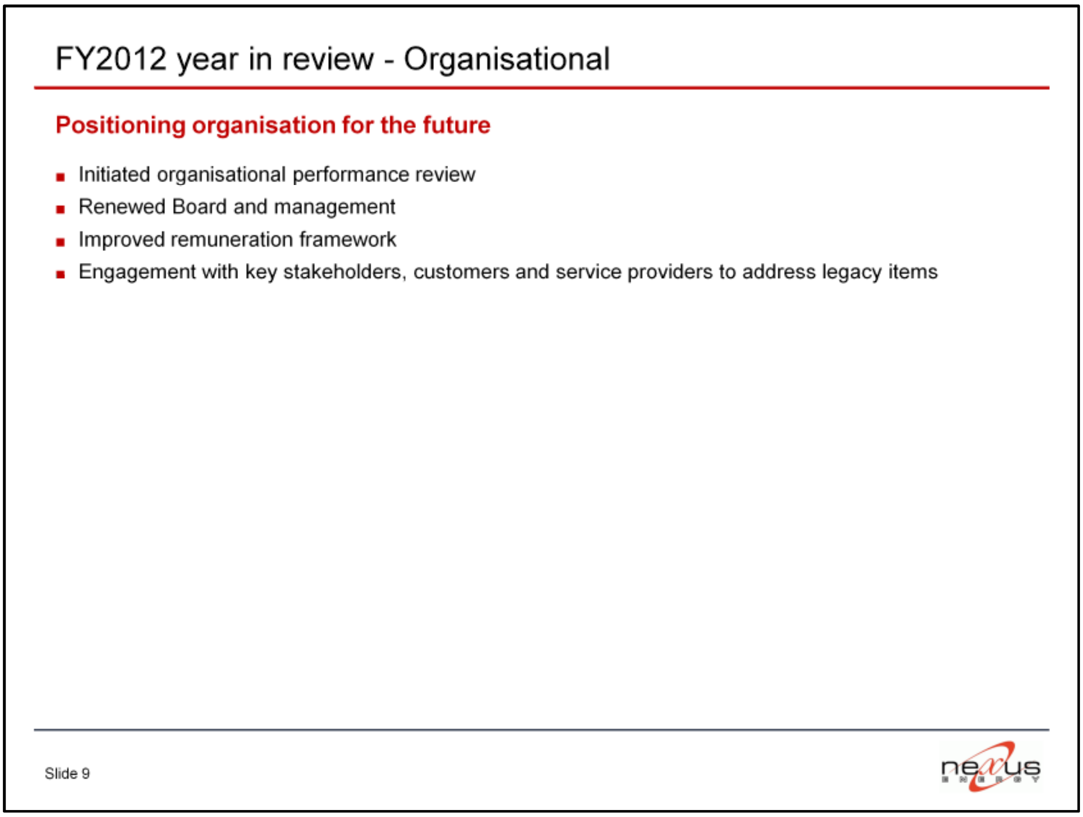
In June 2012, production was interrupted by an unexpected electrical fault that was remedied through an offshore intervention program. This emphasised the organisational capability that Nexus has in place to address such unplanned events. I was deeply impressed with the commitment, competence and professionalism by which our team resolved this difficult issue.

In April 2012, the recalibration of Reserves was completed by Gaffney, Cline & Associates. While the report significantly revised down the important Proved and Probable reserves, the review has given our team a more rigorous sub-surface understanding thereby increasing our confidence in our production forecasts and development plans. Actual production is tracking the revised forecasting model.

My positive take from 2012 is that the Longtom asset has now been repositioned for the next phase of development. I will cover this aspect in the forward view later on.

Following the strategy update in August 2012, an organisational performance review was initiated with the clear goal of positioning the Company to achieve our strategic imperatives.

I will now discuss some of the early outcomes of changes emerging from this review.



The organisation review focuses on two objectives, achieving outstanding corporate governance and achieving excellence in execution with a fit for purpose organisation through a reduced and sustainable cost structure. As part of this process which we expect will be completed in January 2013, we are targeting a 30% reduction (excluding legal fees) in the $22 million administration costs reported for FY2012. We are also putting in place processes to support improved cost discipline and instil a strong culture of cost control.

Don has already outlined the changes at the Board level so I will not go into these.

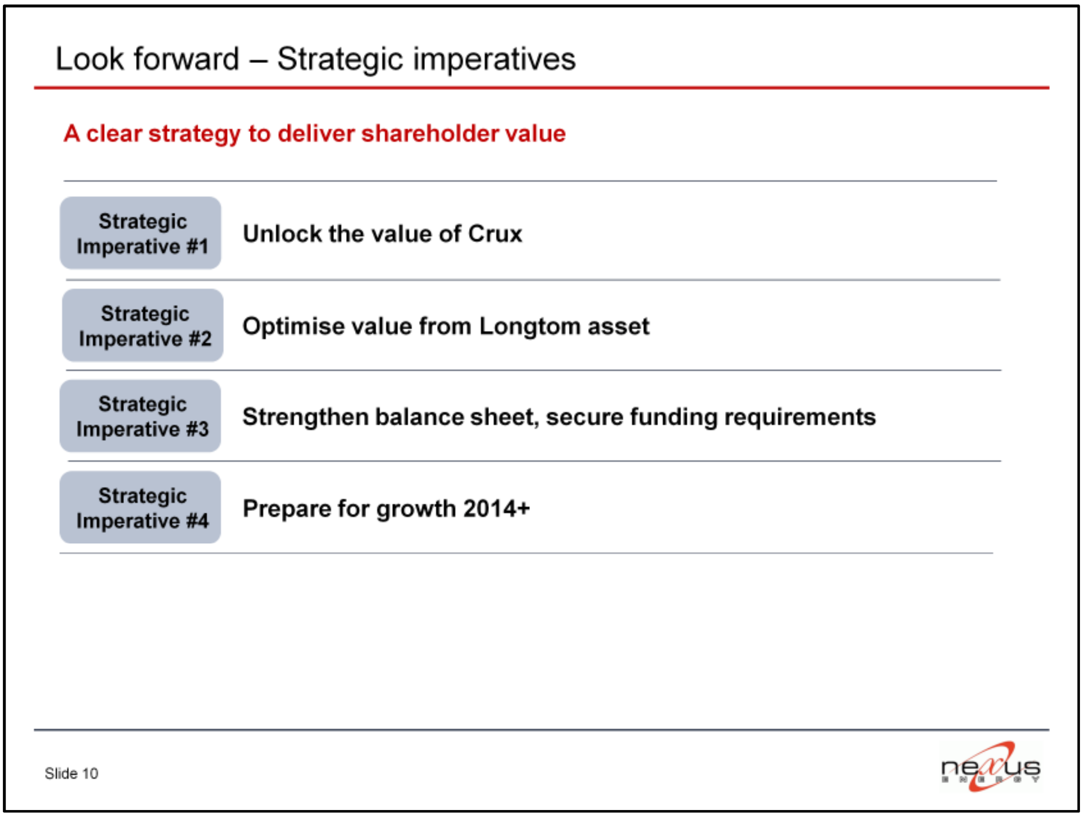
Following consultation with shareholders and other key stakeholders, we implemented improvements to our remuneration strategy across the entire organisation to better align with shareholder interests. The changes are highlighted in the 2012 Remuneration Report.

We are committed to improving our reporting and communication around our remuneration framework, and with that in mind, I note that in the coming weeks there will be an annual Long Term Incentive grant made in accordance with our approved remuneration framework.

We are also enhancing our engagement and strengthening our relationships with our other key stakeholders such as customers and service providers. These are critical to our business success.

Accordingly, we have enhanced our engagement to address the legal legacy issues.

That completes the FY2012 review. Let us know look at the future.



One of my first priorities as the new CEO was to set out a clear strategy to deliver value for shareholders and I would now like to focus on our strategic agenda.

Let me be clear, our immediate and near term focus is to capture the full value potential of our existing asset base.

We will do this by being guided by three strategic imperatives.

These are #1 to unlock the value of Crux, #2 to optimise value from our Longtom asset, #3 to strengthen our balance sheet and secure our funding requirements.

We will also be preparing for additional growth beyond 2014, which is our fourth strategic imperative.

Let me now take you through the near term deliverables and milestones that give life to these strategic imperatives.

I will now provide an update on Crux.

Strategic imperative #1: Unlock value from Crux

Commence work program following retention lease award

- Retention lease application submitted 25 October 2012 (post completion)
- Detailed work program will be set by government
- Exploration drilling campaign will include the key Auriga prospect
- Aim to progress earliest commercialisation of Crux field

Crystallise immediate value for shareholders

- Divestment process initiated 23 October 2012 (post completion)
  - Engagement with a range of high quality parties
  - Indicative interest received in acquisition of both part, and potentially all of Nexus' stake
- Full range of divestment options will be considered to maximise shareholder value

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nexus energy

The Crux deal has repositioned our Browse basin assets into an LNG value chain play. Our immediate priorities are to commence the work program following the Retention Lease award and to crystallise some immediate value for shareholders.

The Retention Lease application was submitted immediately post completion. In addition to technical studies, the joint venture is planning further exploration with the low risk Auriga prospect planned for drilling by 1Q 2014. Nexus' estimated prospective in place volumes are 1.3 TCF. A successful outcome will provide substantial economic underpinning of the East Browse standalone FLNG case which in Nexus' view is the case with the highest value potential.

Following completion on 23 October, we initiated the process to divest a tranche of our 17% stake in the Crux asset. We have set ourselves the following objectives in this process:

- To secure the company's funding position
- To deleverage the balance sheet and
- To crystallise the value of Crux

Today I am pleased to report on the following progress.

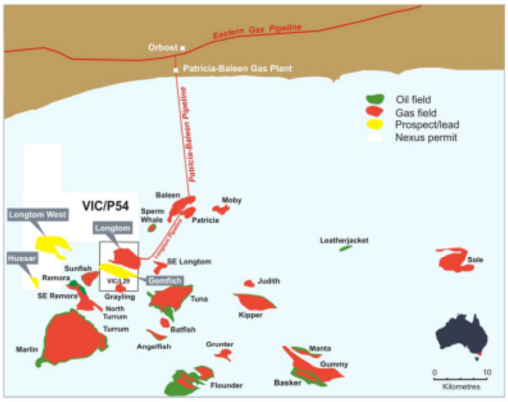
We have received expressions of interest and are now formally engaged with a range of very high quality parties. We have received an indication of interest in both a tranche of the asset and potentially in the entire Nexus stake. Whilst the strategic intention is to divest a tranche of Crux, the Board will consider the full range of divestment options provided these reflect the full value potential of the permit.

Let's now turn to the Longtom asset.

Strategic imperative #2: Optimise value from Longtom asset

High quality asset with strong East Coast demand dynamics, improving risk/reward profile of exploration prospects

- Execute 2013 planned maintenance program: zero incidents, on time, on budget
- Increase 2013 system availability vs 2012
- Prepare comprehensive business case in support of full field development FID
  - Longtom-5 well planned for 4Q 2013 and first gas 2Q 2014 (subject to FID)
  - Longtom-4 work over planned for 4Q 2013 (subject to FID)



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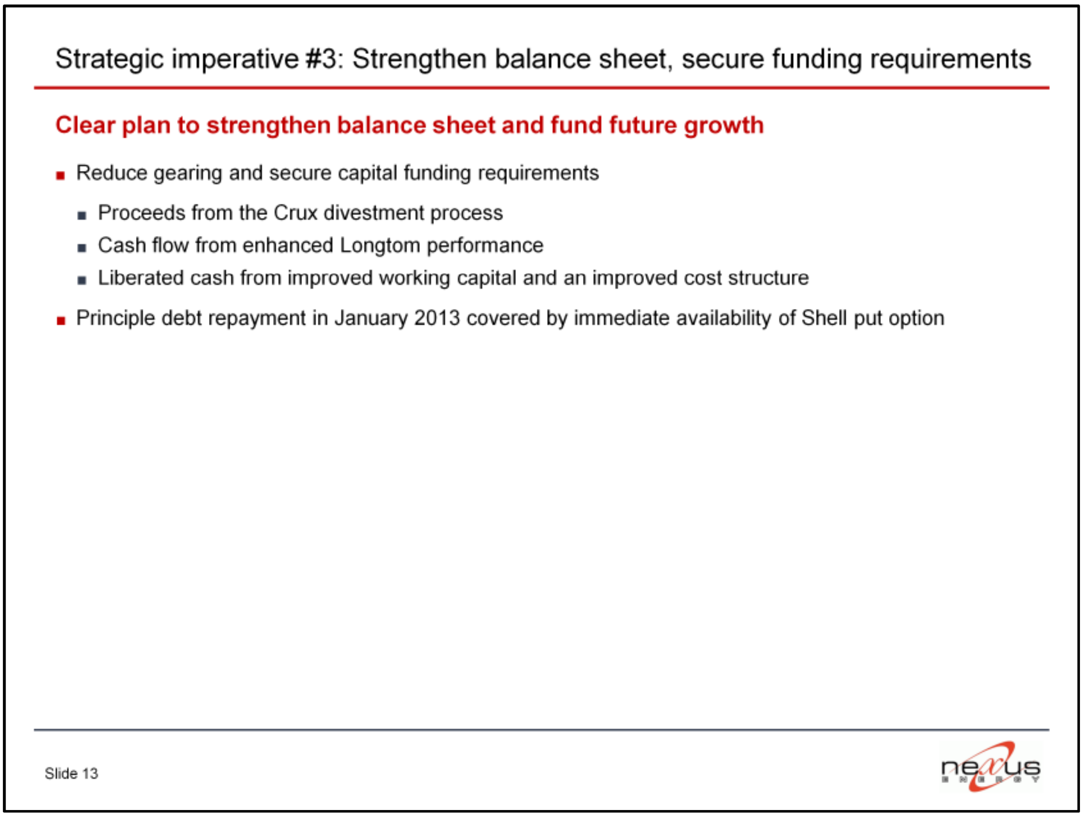
FY2012 saw the repositioning of the Longtom business for further development and associated investment. Our objective is to create a low risk, high performing business that is profitable in its own right.

Following the reserves update, the field development strategy is being optimised with planned completion by year end 2012.

We have a number of material investment decisions to make, particularly the drilling and completion of Longtom-5. This is a substantial investment for Nexus. While the investment case at the expectation outcome of reserves, cost and execution schedule could make sense we need to ensure that all risks are understood and properly mitigated with the residual risk being acceptable.

This will ensure a robust investment decision. We are rigorously developing the business case to support the final investment decision, that if approved by the Board, will result in Longtom-5 being drilled towards the end of 2013.

Let us now turn to our third strategic imperative, being to strengthen our balance sheet and to secure our funding requirements.



We have a clear plan to start reducing our debt in the first half of next year and to secure our future funding needs by utlising:

- proceeds from the Crux divestment process
- cash flow from enhanced Longtom performance and thirdly,
- liberated cash from improved working capital and an improved cost structure

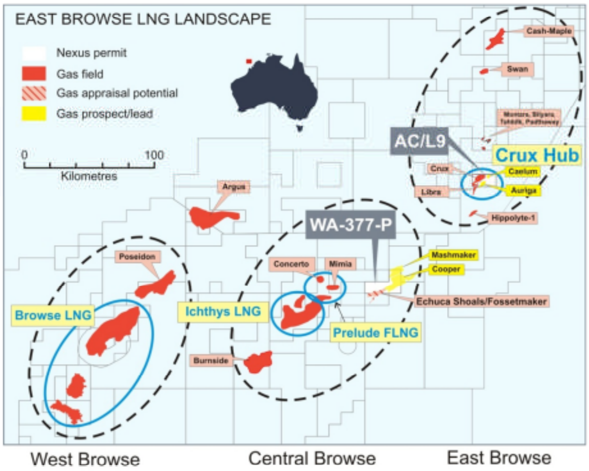
We have a principle debt repayment due in January that is covered by the availability of the Shell put option.

Let me now briefly touch on preparation for growth beyond 2014.

Strategic imperative #4: Prepare for growth 2014+

Current portfolio supports an attractive range of growth opportunities

- Drill commitment well in Echuca Shoals permit (WA-377-P) by 1Q2015
- Prepare to drill Gemfish post Longtom-5
- Disciplined approach to reviewing future growth opportunities beyond 2014



Note: Quoted volumes for non-Nexus assets sourced from public domain information

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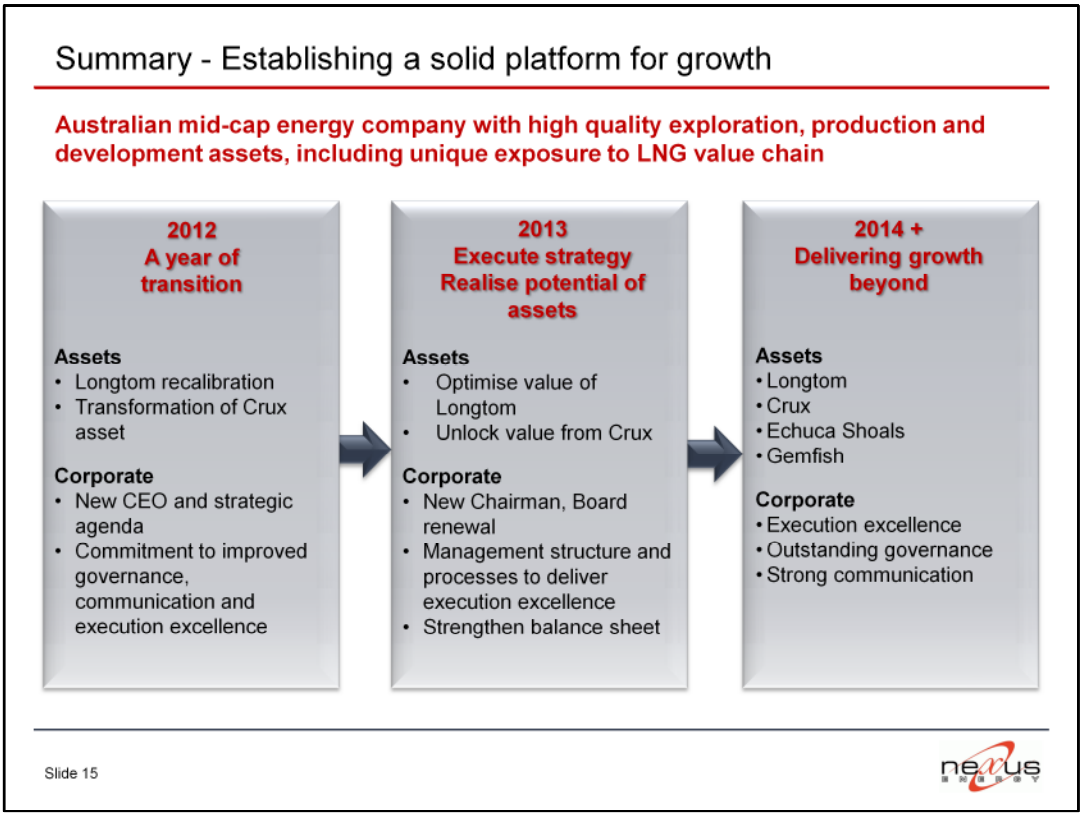
With the increased technical and commercial activity in the Browse basin, Echuca Shoals is becoming strategically located as a potential supplier to both Central Browse and East Browse LNG. We have one of our key prospects in this permit with the next commitment well to be drilled by March 2015.

Longtom's infrastructure, together with the increasing demand for gas along the East Coast, is improving the risk reward profile of exploration projects. We are ready to drill the Gemfish prospect. However our first priority is the Longtom infill drilling.

We are also preparing to expand the opportunity set for 2014 and beyond.

We will do this by adopting a disciplined approach. We will compete only were we have, or can build, a competitive advantage, where the opportunity matches our capability set, and by leveraging our strong alliances and relationships to both develop our portfolio and complement our capability set.

Finally, let me now summarise today's presentation.



In summary, 2012 was a year of transition for Nexus.

Nexus' key assets were repositioned with the Browse assets being transformed into an LNG value chain play and Longtom repositioned for the next phase of development following the reality of reserves recalibration.

At the corporate level the Board was rejuvenated, Don Voelte appointed as Chairman and governance improved.

An organisational performance review is underway to ensure we achieve outstanding corporate governance and operational excellence in the execution of our business plan.

We also have a new strategy in place to realise the full potential of our assets and deliver growth in 2014 and beyond whilst addressing the key business risks. We will do this by implementing a comprehensive plan consistent with a clear strategy and strategic imperatives.

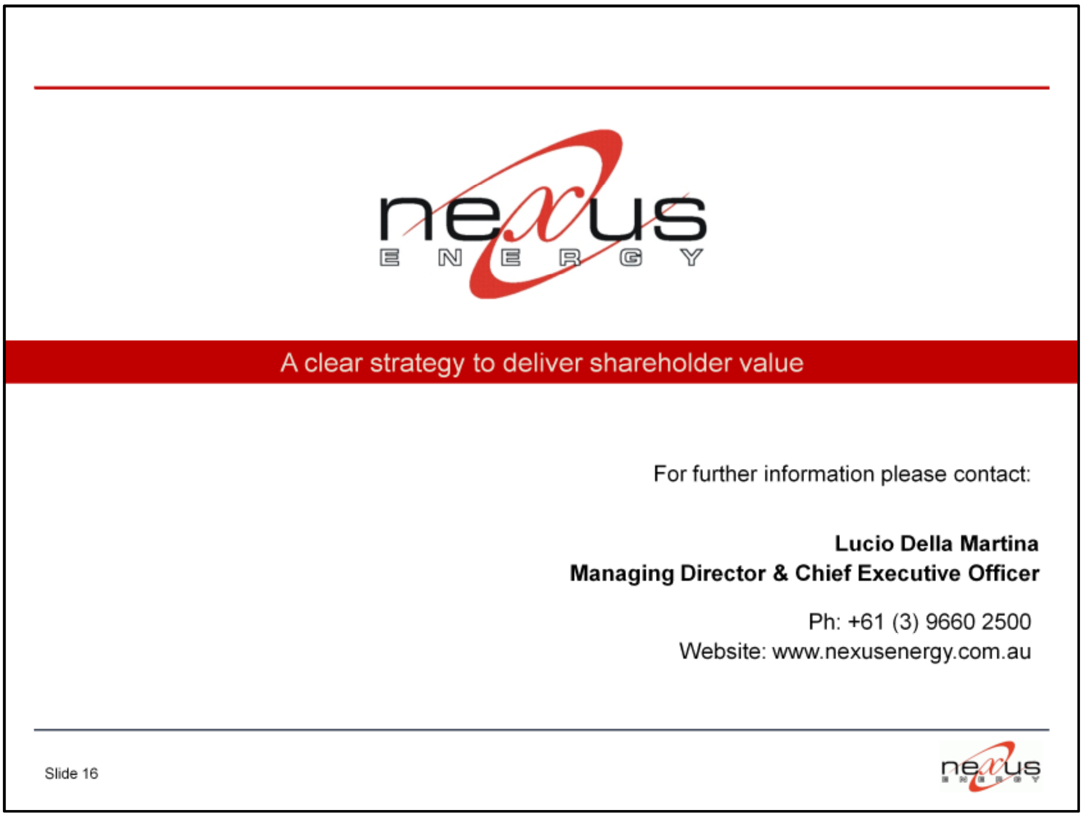
Looking ahead to financial year 2013 we have clear priorities to realise the full potential of the existing asset base. These are to:

- produce Longtom to its maximum capabilities
- rigorously assess the Longtom growth business case
- crystallise the value in Crux by completing the divestment process
- strengthen the balance sheet from the Crux proceeds and
- reshape the organisation to achieve excellence in execution through a reduced and sustainable cost structure.

These will be undertaken with outstanding governance and shareholder engagement.

I together with my leadership team are committed to this purpose. Thank you for your time today.

I would now like to hand back to our Chairman.


A clear strategy to deliver shareholder value
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