
Nexus Energy 2012 Financial Year Full Year Results

11 September 2012

Presented by
Lucio Della Martina
Chief Executive Officer



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The information in this presentation in relation to hydrocarbon reserves at Longtom and resources at Crux are based on information compiled by Stephen Lane, Principal of Gaffney, Cline and Associated Pte Ltd. Stephen Lane has sufficient experience that is relevant to the style and nature of hydrocarbon resources 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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- Year in brief
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- Outlook for 2013 Financial Year
- Strategy recap

Year in brief – 2012 financial year

Production and Financial Headlines

■ Production	17.4 PJ Gas	↑ 18.4%
■ Revenue	\$80.7 million	↑ 21%
■ Reported Net Profit / (Loss) after tax	\$(342.3) million	↑ from \$39.2 million loss
■ Underlying Net Profit / (Loss) after tax [^]	\$43.1 million	↑ 227%
■ Longtom net cash generation:	\$56 million	↑ 143%
■ Gearing*	38%	
■ Cash Balance at 30 June 2012	\$33.6 million	

- [^] - Underlying Net Profit / (Loss) after tax is a non-IFRS figure
- * - Gearing = net debt/(net debt + equity)

Year in brief – 2012 financial year

Operational Update

- Maintained health, safety and environmental standard
 - No recordable incidents
- Increased Longtom production and improved availability
- Recalibration of Longtom
 - Independent revised reserves report completed in April 2012
 - Strategic focus on optimising value from Longtom including greater focus on next stage of development
- Renewal of Echuca Shoals WA-377-P exploration permit for further five years
- Transformational Crux consolidation deal with Shell and Osaka Gas
- Refocused strategy to unlock value from Crux

Year in brief – 2012 financial year

Corporate Update

Corporate Governance

- Appointment of Lucio Della Martina as Chief Executive Officer to lead the next phase
- Independent Board following CEO appointment and transition period
- Removal of Non-Executive Director termination entitlements

Remuneration

- Remuneration policies and strategy reviewed during 2012 FY
- Revised strategy implemented across the organisation. Aligned with shareholders' interests
- Remuneration report 2012 FY explains changes to remuneration policy implemented

Other Updates

- Trident dispute concerning Longtom project management invoices. Resolved through settlement
- TDJV relates to Longtom offshore installation contract in 2007. Liquidators have foreshadowed a claim. No claim has been received to date
- Sedco relates to alleged breach of contract for the Transocean Legend drilling rig in 2008. No trial date has been set; it appears likely that it will take place in late 2013

Year in brief – 2012 financial year

Organisational Performance: Review initiated with clear objective to support refocused strategy

Objective #1: Outstanding corporate governance

- Board composition and structure
- Governance processes

Objective #2: Execution excellence

- Fit for purpose organisation; clear accountabilities
- Outstanding capabilities
- High quality risk based decision making
- High performance mindset

Health, safety and environment

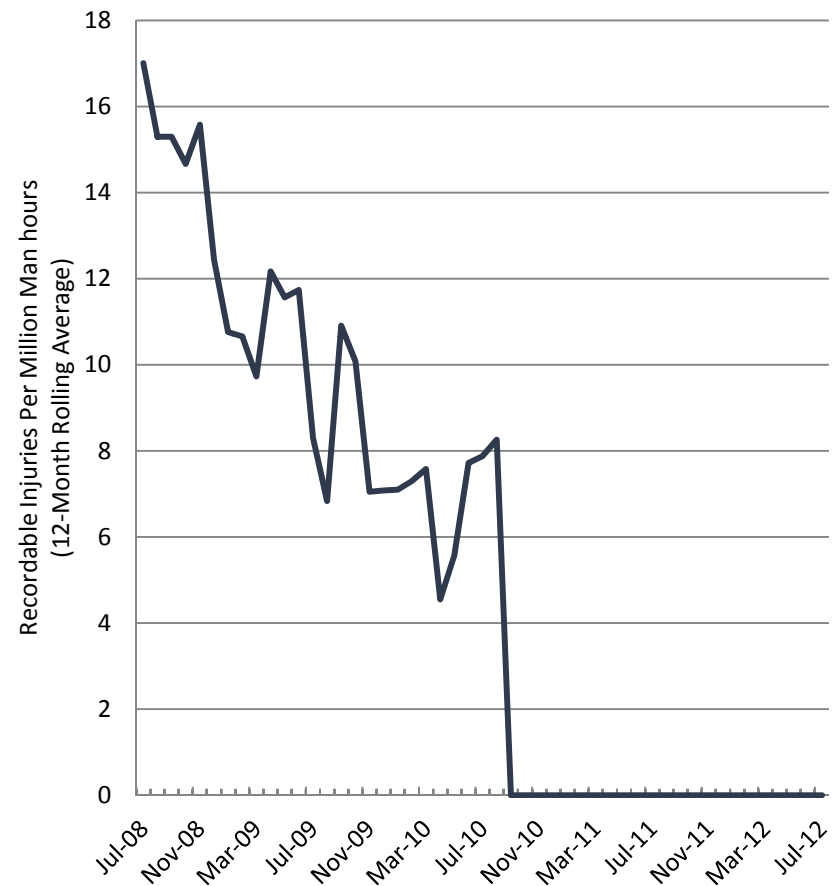
No recordable or reportable incidents occurred during the year

Health & Safety

- Total recorded hours of 62,660
 - 13,056 relating to the four Longtom offshore intervention activities
 - No new recordable or reportable incidents occurred during the offshore campaigns
- 2,404 Lost Time Case (LTC) free days
- 1,050 Medical Treatment Case (MTC) free days
- Longtom Revised Safety Case accepted by NOPSEMA

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 DPI



Longtom update

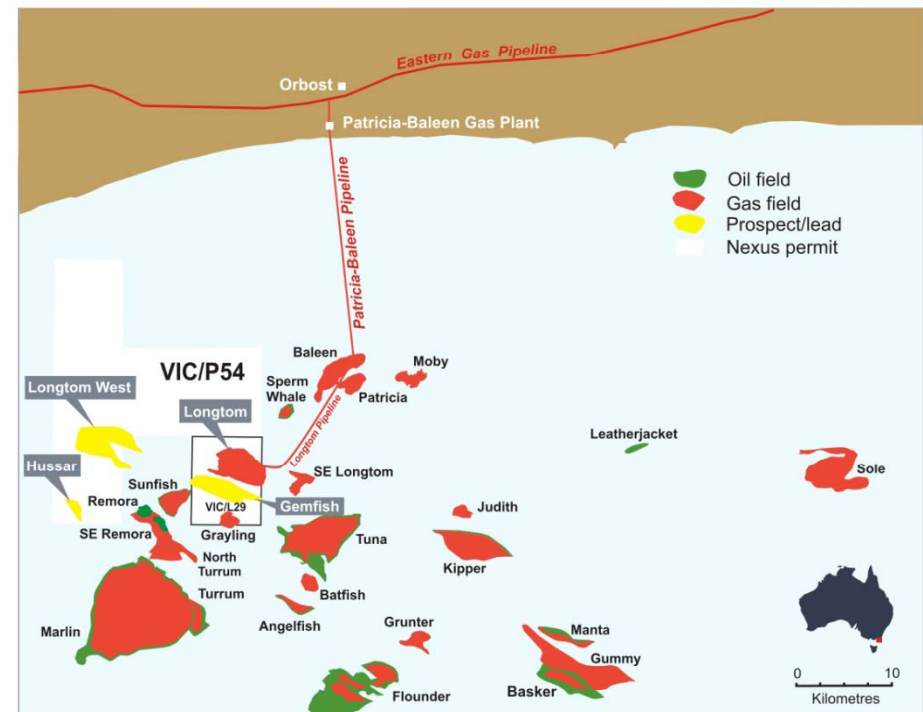
Operational issues addressed; significant progress in preparing for next stage of development

Number of successful initiatives implemented during the year

- Second successive year of increasing production volumes and system availability
- Planned offshore maintenance programs completed without incident, on time and on budget
- Offshore intervention and inspection program to remedy electrical fault

Recalibration of Reserves confirmed sufficient Reserves to meet contractual obligations

- GCA independent review of Reserves completed in April 2012
- Partial reclassification of Reserves to Contingent Resources



Crux AC/L9 update

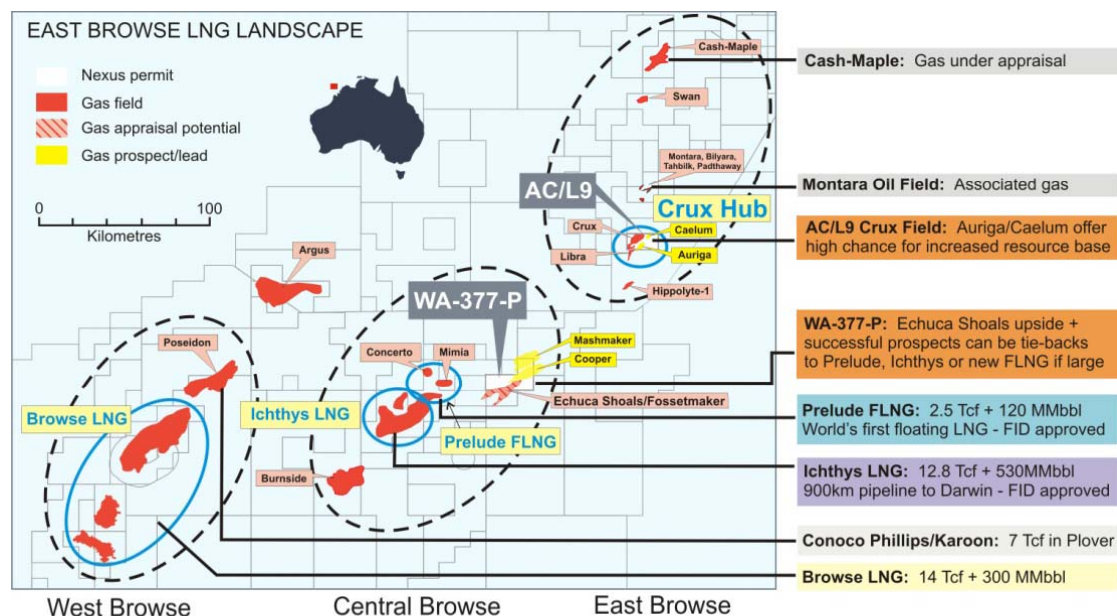
Refocused strategy with consolidation of Crux AC/L9 interests in East Browse

2012 FY Activities

- Consolidation agreement documentation finalised with Shell and Osaka Gas
 - Executed 3 August 2012
 - Completion of transaction subject to FIRB and Title registration, target October 2012
- Consultation process with regulatory authority on Retention Lease application process
- Liquids project long lead items sale process initiated, impairment taken as prudent approach

Crux consolidation agreement

- Transformational step for Nexus
 - 17% material interest with proportionate share of liquids and gas
- Commercialisation timeline aligned with Retention Lease
- Financial advisers appointed to explore strategic options for Nexus' ownership of Crux



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

Hydrocarbon resources summary

Technical studies yield clearer picture of resource base

- Crux and Longtom assets have been extensively reviewed in-house, including all subsurface data and reservoir performance (Longtom)
- GCA have independently verified this information as part of their latest resource estimates
- Resource estimates do not include Prospective volumes associated with undrilled prospects

Remaining Reserves (As at 31 December 2011)	1P	2P	3P
Longtom (PJ)	92	137	182
Contingent Resources (As at 31 December 2011)	1C	2C	3C
Longtom (PJ)	68	102	152
Hydrocarbons Initially In-Place - Gross Field (31 October 2011)	Low (P90)	Best (P50)	High (P10)
Crux Gas (Tscf)	2.3	2.5	2.7
Crux Condensate (MMstb)	81	88	95

Note: Longtom Reserves and Resources from GCA Report in April 2012, Crux hydrocarbon volumes from GCA Report in November 2011. Crux volumes now reported as "in-place". The ultimately recoverable volumes for an integrated Crux development will be assessed as the development planning moves forward. Previously reported Crux recoverable volumes were based on a liquids stripping development.

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2012 Financial Year – Full Year Results

Financial Results

11 September 2012

Presented by
Susan Robutti
Chief Financial Officer



Longtom performance

Gas production increase of 18% and condensate production of 13% for 2012 FY

Strong revenue growth from production

Financial Year Ended	30 June 2011	30 June 2012	Change
Longtom Revenue (\$A million)	66.6	80.7	↑ +21.1%
Longtom Gas Production (PJ)	14.7	17.4	↑ +18.4%
Longtom Condensate Production (kbbl)	136.4	153.9	↑ +12.8%
Longtom operating profit / (loss)	(1.8)	14.5	
Longtom operating cash flows	23.0	56.0	↑ +143.5%
Production Performance *	66%	91%	↑ + 25%

* Results based on the annualised percentage of hours of system availability where Nexus was either supplying gas or stood ready, able and willing to supply gas

Financial results summary – profit & loss

Revenue up c.21% on increased volumes and strong performance from Longtom

Key financial results

- Gross revenue of \$80 million
- Longtom operating profit of \$15 million
- Underlying net profit (loss) after tax of \$43.1 million^

Prudent approach to impairments

- Longtom asset impairment post reserves update of \$163 million (December 2011 half year accounts)
- Long lead items relating to liquids project impairment of \$81 million, (Proceeds received on disposal will result in a gain at that time)
- PRRT credits reclassified to unrecognised deferred tax asset of \$141 million

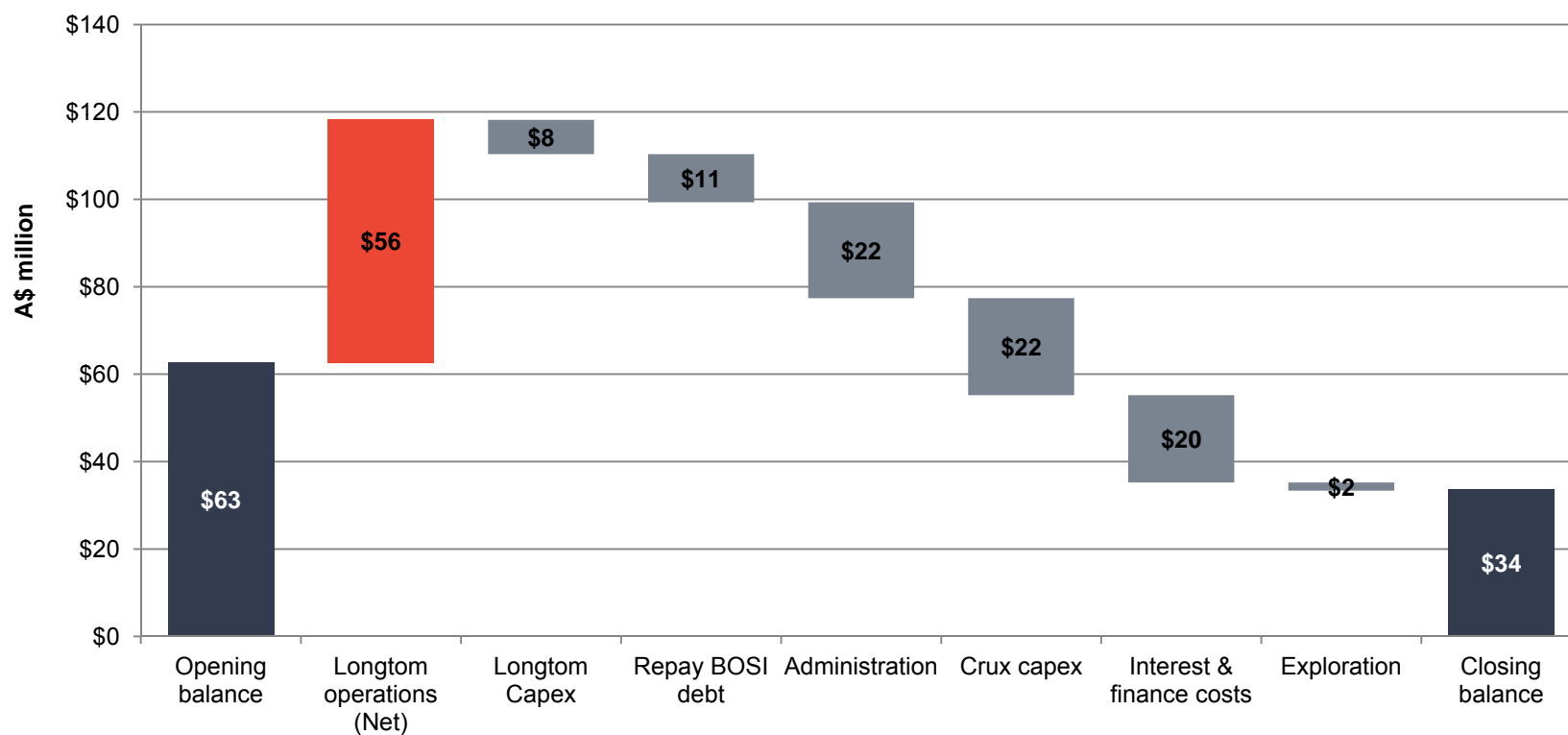
Financial Year Ended	30 June 2011 A\$ million	30 June 2012 A\$ million
Revenue	66.6	80.7
Reported EBITDA (incl. impairments)	(67.5)	(218.6)
Reported EBIT	(106.3)	(250.7)
Reported profit/(loss) after tax	(39.2)	(342.3)
Non-recurring items:		
Gain on extinguishment of borrowings	14.6	0.0
Impairment of production asset (Dec-11)	(81.8)	(162.8)
Impairment of long lead items (liquids project)	0.0	(81.0)
PRRT write off (incl. in income tax expense)	61.8	(141.6)
Underlying net profit (loss) after tax^	(33.8)	43.1

^ - Underlying Net Profit / (Loss) after tax is a non-IFRS figure

Financial results summary – cash flow and funding position

Net cash flow generated from Longtom during the year used to support investment in Longtom and Crux

- Longtom net cash generation of \$56 million, up c.143% (2011 FY \$23m)
- All debt repayments met
- Closing cash balance of \$33.6 million



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2012 Financial Year – Full Year Results

Outlook for 2013 Financial Year and Strategy recap

11 September 2012

Presented by
Lucio Della Martina
Chief Executive Officer



Outlook for 2013 Financial Year

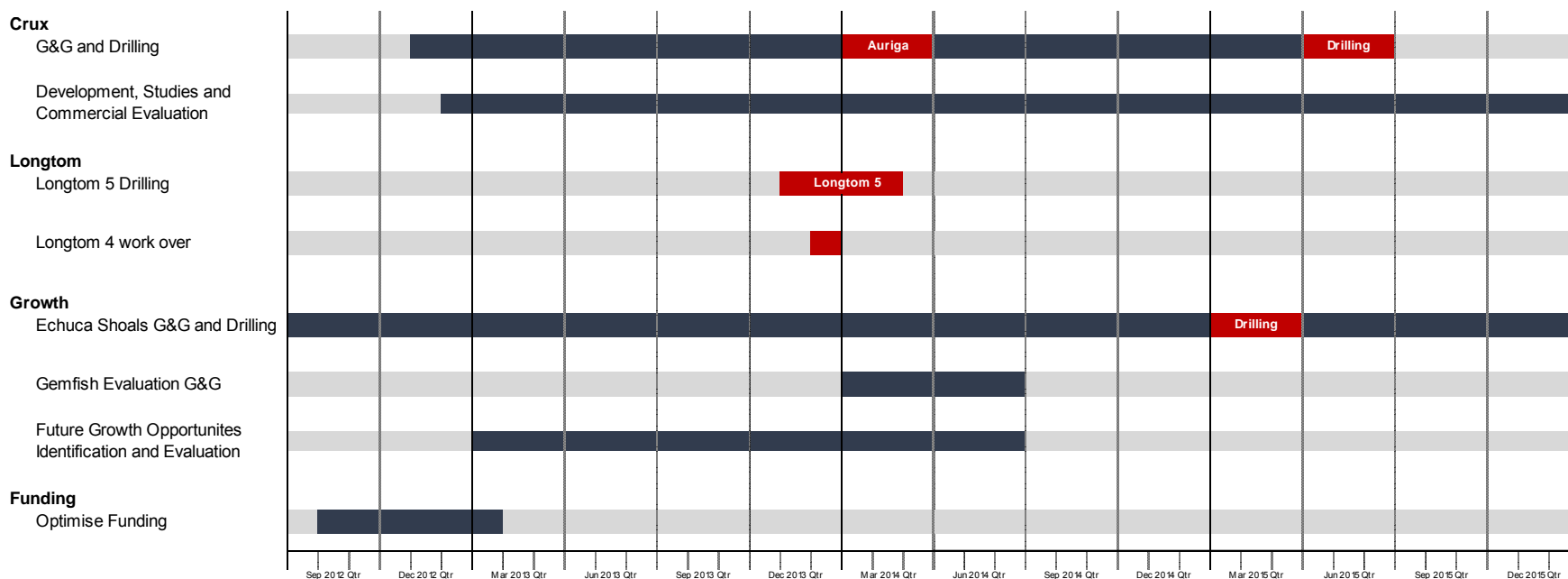
2013 FY Production and Capex guidance

2013 FY Production guidance:

- Within 5% of 2012 FY production, subject to gas nominations

2013 FY Capex guidance:

- Longtom maintenance works of \$5.5 million
- G&G planned activity for Crux (subject to Retention Lease work program) and Echuca Shoals forecast ~ \$2 million



Note: Commercial arrangements surrounding the Longtom Gas Sales Agreement are confidential

Strategy Recap

A clear strategy to deliver value for shareholders

UNLOCK THE VALUE OF CRUX

- Agreements signed on 3 August 2012 to create new joint venture
- Participating interests: Nexus 17%, Shell 80% (operator), Osaka Gas 3%
- Nexus entitled to its proportionate share of LNG and liquids
- Nexus 12 month option (post completion) to sell to Shell 2% of its participating interest for \$75m
- Advisors appointed to explore strategic options for Nexus ownership of Crux

OPTIMISE VALUE FROM LONGTOM

- Gas contract underpinned; focus on future development
 - Longtom 4 enhancement work over planned for 4Q 2013 (subject to FID)
 - Longtom 5 well planned for 4Q 2013 and first gas 2Q 2014 (subject to FID)
 - Longtom 6 to be considered for drilling in 2016

STRENGTHEN BALANCE SHEET

- Optimal combination of funding sources currently being determined to meet requirements
- Variety of available sources of funds

PREPARE FOR GROWTH 2014+

- Current portfolio supports an attractive range of growth opportunities
 - Echuca Shoals, Gemfish
- Disciplined approach to reviewing future growth opportunities beyond 2014



A clear strategy to deliver shareholder value

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