



**Nexus Energy Limited**  
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Presented by  
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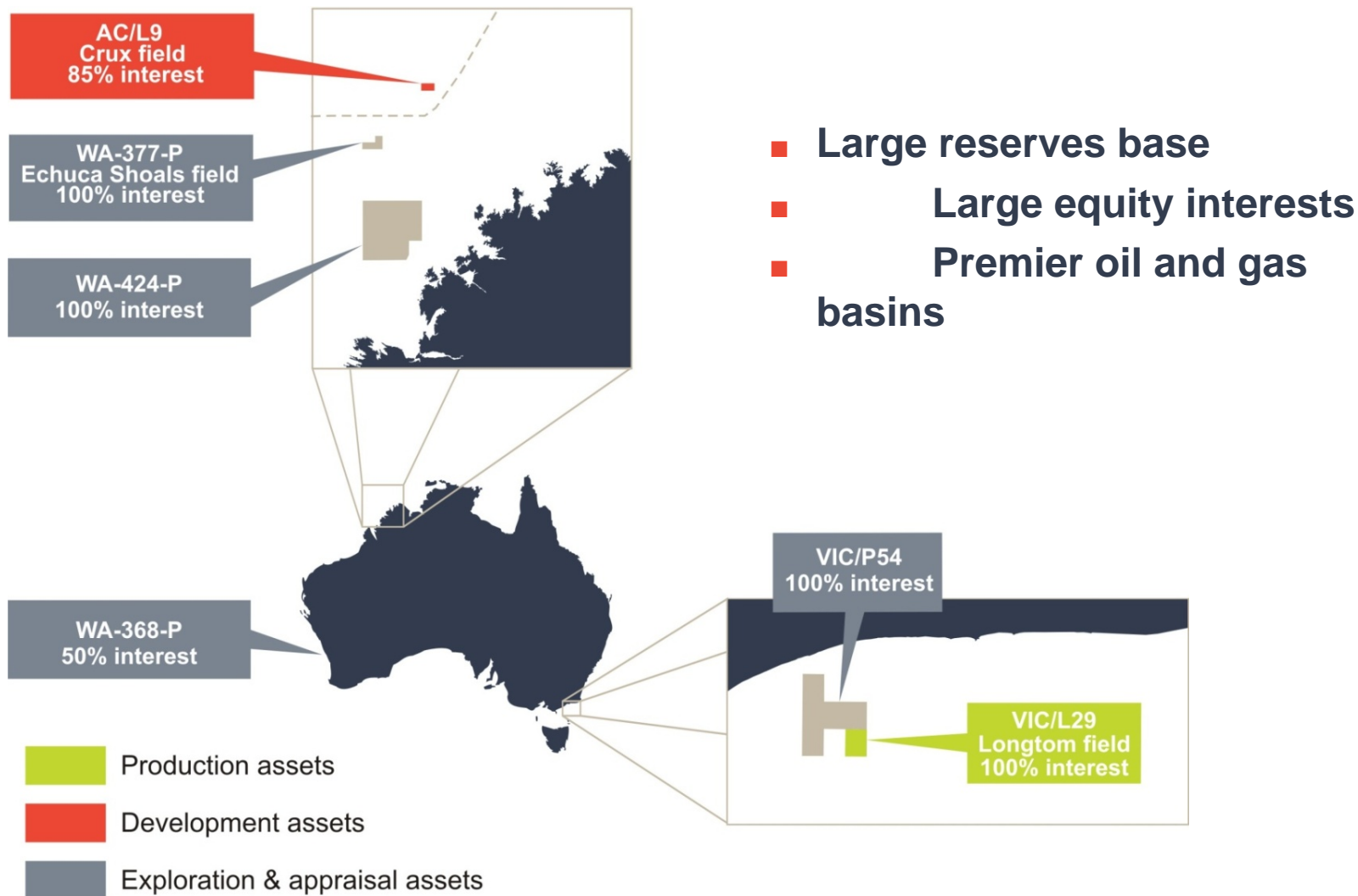
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The reserves information contained in this presentation in relation to the Crux liquids project and the Longtom gas project has been compiled by Keith Edwards, General Manager Business Development and Corporate Planning. Mr. Edwards' qualifications 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 in this presentation.

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.

# Producing, appraisal & exploration assets





## Challenges presented in May 2010

### Longtom

- Unexpected Mercury in gas and condensate that halted production, require the installation of Mercury Removal Unit facilities (MRU)
- MRU's in place for gas late September 2010 and condensate in February 2011
- Delayed cash flow until production recommences until October/November 2010

### Crux

- Production licence requires recovery operations to have commenced by March 2014

### Unsecured subordinated notes

- Maturity of A\$110 million unsecured subordinated notes due for maturity in 2013

## What has been done

### Equity line of credit (ELOC)

- In June 2010 an ELOC facility with YA Global Master SPV Ltd was executed, similar experience to Queensland Gas Company with Cornell and provides flexibility and safety net.

### Unsecured subordinated notes restructure

- Delay of July 2010 and January 2011 interest payments until 2012.
- Moved bullet repayment till after Crux cash flows converting it to a balloon clearing pathway to financing Crux.

### Longtom finance facility

- Pledged ELOC as security to financier to cover financier's exposure until condensate mercury removal unit (MRU) commissioned. Security is drawdown notices covered by a power of attorney in favour of bank for bank repayment if necessary.

### Cornerstone investor

- Secured M&G Investment in Nexus indirectly granting liquidity and depth to Nexus' stock.

## What has been done (continued)

### Crux

- Negotiating an extension of period in which to extract. Whilst production schedule shows 7 years of production banks require 3 years reserve tail.
- Secured indicative bank proposal.
- Identified preferred contractor.
- Nexus retains condensate if we don't develop.

### Cash flow

- Detailed management – no equity has been issued other than for notes restructure notwithstanding no cash flow and security for banks.

### Equity sell-down

- Stimulating interest in sell-down of Crux and Longtom – under due diligence.

## Where do Nexus want to go

### Crux

- Visibility on Crux by year end.
- Crux cash flows to underwrite future growth to make Nexus a pre-eminent mid-tier E&P producer.

### Longtom

- Acquire further production to underwrite a future gas/electricity based on tightening electricity market post 2014.

## Near term priorities

- Repair balance sheet.
- Build solid foundations.
- Mentor commercial acumen within Nexus staff.



“Ambitions shaped by a passion for growth and technical innovation  
with a foundation of business and operational integrity”

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