



5 April 2007

The Manager, Companies  
Australian Stock Exchange

## SHARE PURCHASE PLAN

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Please refer to the attached announcement.

Yours sincerely,

**Susan Robutti**  
Company Secretary



# NEXUS ENERGY LIMITED

## SHARE PURCHASE PLAN

Eligible Shareholders may purchase parcels of Shares valued at \$3,000, \$4,000 or \$5,000

**This is an important document that requires your attention**



## Letter from the Chairman

10 April 2007

Dear Shareholder,

On behalf of the Directors, I am pleased to offer you the opportunity to increase your investment in Nexus Energy Limited (the **Company**) through the Share Purchase Plan (the **Plan**).

The primary purpose of the Plan is to enable the Company to raise further funds to advance the appraisal of the Crux Liquids Project, contingent funding for the potential testing of the Echuca Shoals #2 well and provide for associated ongoing working capital requirements.

To partially fund Nexus' ongoing operations and projects, the Company undertook an institutional placement (the **Placement**) on Wednesday 21 March 2007 and Thursday 22 March 2007, raising gross proceeds of approximately \$29.5 million at a final price of \$0.80 per share (the **Placement Price**), an 8.6% discount to the prior closing price. The Plan has been put in place to involve the entire shareholder base in the funding process.

### **The Offer**

The Plan is offered exclusively to all Eligible Shareholders.

It provides Eligible Shareholders with an opportunity to buy a parcel of new shares in the Company valued at \$3,000, \$4,000 or \$5,000.

The price at which the shares will be issued will be the lesser of:

- \$0.80 (the Placement Price); or
- a 5% discount to the average trading price calculated over the 5 business days following conclusion of this offer.

Participation in the Plan is entirely voluntary.

All shares issued under the Plan will rank equally with existing fully paid ordinary shares in the Company and will carry the same voting rights and entitlement to receive dividends.

No brokerage or other transaction costs apply to purchases under the Plan.

The Company will issue a parcel of new shares to each Eligible Shareholder who has made an application in accordance with the terms of the Plan (depending on the value of the parcel applied for by each Eligible Shareholder).

This letter and its attachments set out the details and terms and conditions of the Plan. I urge you to read these materials in their entirety and to seek your own financial advice in relation to the offer, before you decide whether to participate.

To apply for a parcel of shares under the Plan, please follow the instructions on the enclosed personalised application form.

The Plan opens on Wednesday, 11 April 2007 and is expected to close at 5pm (AEST) on Friday, 27 April 2007.

On behalf of the Board, I invite you to consider participation in the Plan.

Neil Philip  
Chairman

# Key Dates\*

Date	Event	
5pm (AEST) Tuesday, 3 April 2007	Record Date	The date on which Nexus Energy Limited determines Eligible Shareholders.
Wednesday, 11 April 2007	Opening Date	Share Purchase Plan opens.
5pm (AEST) Friday, 27 April 2007	Closing Date	Share Purchase Plan closes. Applications must be received by 5pm (AEST).
Monday, 30 April 2007 to Friday, 4 May 2007	Pricing Period	Average trading price over the 5 business days following conclusion of offer determined.
Monday, 7 May 2007	Price Announcement Date	Issue Price announced.
Tuesday, 8 May 2007	Allotment Date	Shares allotted and issued. Trading of Shares issued under the Plan is expected to commence on ASX on the next trading day.
Wednesday, 9 May 2007	Despatch Date	Transaction confirmation despatched to shareholders.

\* *Nexus Energy Limited has the discretion to alter Key Dates.*

## Questions and Answers

Defined words and expressions used in this booklet are capitalised. See the Definitions section at the end of this booklet for their definition.

### 1 What is the Share Purchase Plan?

The Share Purchase Plan (the **Plan**) is an opportunity for Eligible Shareholders to purchase additional Shares at a discount to the current market price without brokerage and transaction costs. All Shares issued to you under the Plan will rank equally with your existing Shares and will carry the same voting rights and other entitlements.

### 2 Do I have to participate in the Plan?

No. Participation in the Plan is entirely voluntary.

Before you apply for Shares, we recommend you seek independent financial advice from your stockbroker, accountant or professional adviser, and you monitor the Share price (which is quoted in the financial pages of the major metropolitan newspapers).

### 3 What is the Issue Price of the Shares?

The Issue Price will be the lesser of:

- \$0.80 (the Placement Price); or
- a discount of 5% to the average market price of Shares calculated over 5 trading days following the close of the Share Purchase Plan.

The Issue Price will be announced on or around Monday, 7 May 2007. This price may differ from the price Shares have traded at on the ASX during the SPP and the Pricing Period.

### 4 How many Shares can I apply for under the Plan?

You are entitled to apply for a parcel of Shares in the Company valued at \$3,000, \$4,000 or \$5,000 at the Issue Price, regardless of the number of Shares you currently hold. You may only apply for one of these parcels of ordinary shares. You cannot apply for any other number of ordinary shares.

If you receive more than one copy of this booklet, or if you hold Shares in more than one capacity (eg. because you are both a sole and joint holder of Shares), the maximum amount you may apply to invest under the Plan in all capacities is \$5,000. **By applying to purchase Shares under the Plan, you certify you have not exceeded this \$5,000 limit.**

If the Issue Price cannot be divided into \$3,000, \$4,000 or \$5,000 to give a whole number of shares, there will be a rounding down of the number of shares, with the remaining balance paid to a charity nominated by the Company. You will not receive a refund for this amount, which will always be less than the price of one share.

## 5 How do I apply for Shares under the Plan?

If you wish to participate in the Plan, follow the instructions set out on the enclosed personalised Application Form. Send your completed personalised Application Form with your cheque or money order made payable to "Nexus Energy Limited Share Purchase Plan." Alternatively, you can make payment of the amount under Offer A, Offer B or Offer C using the BPay facility on the Application Form. By making a payment by BPay, the Eligible Shareholder will be deemed to have completed an Application Form accepting Offer A, Offer B or Offer C.

You will not be able to withdraw or revoke your application once you have sent us the completed Application Form or made a payment by BPay.

## 6 How long is the Plan offer open for?

The Plan opens on Wednesday, 11 April 2007 and is expected to close at 5pm (AEST) on Friday, 27 April 2007.

If you want to participate you should ensure you either make the required payment by BPay or that your **Application Form and cheque or money order are received by no later than 5pm (AEST) on Friday, 27 April 2007**. Please allow adequate time for mail deliveries.

## 7 Do I have a guaranteed allocation of Shares under the Plan?

Yes. If you apply in accordance with the Terms and Conditions then you will receive the \$3,000, \$4,000 or \$5,000 parcel of Shares that you have applied for.

## 8 What is the current market price of the Company's shares?

The market price of the Company's shares, as at the close of trading on Wednesday, 4 April 2007, is \$1.02. The Plan offers shareholders a discount of at least 21.5% to this price (based on the Placement Price).

## Further assistance

If you have any questions in relation to the Plan please call your stockbroker, accountant or professional adviser. If you require information on how to complete the application form please contact the Company Shareholder Information Line on 1300 367 570 or (03) 9415 4614.

# Terms and Conditions

Defined words and expressions used in this booklet are capitalised. See the Definitions section at the end of this booklet for their definition.

**IMPORTANT NOTICE: If you apply to participate in the Plan by completing and returning the Application Form, you are accepting the risk that the market price of Shares may change between the date on which you send in an Application Form and the Allotment Date. This means it is possible that, up to or after the Allotment Date, you may be able to buy Shares at a lower price than the Issue Price. We encourage you to seek your own financial advice regarding your participation under the Plan.**

These materials do not constitute an offer of securities for sale in the United States or to "U.S. persons" (as defined in Regulation S under the U.S. Securities Act) and may not be sent or disseminated in, directly or indirectly, the United States or to any "U.S. person" in any place. Nexus Energy Limited's shares have not been and will not be registered under the U.S. Securities Act or the securities laws of any state of the United States and may not be offered, sold or otherwise transferred in the United States or to any "U.S. person" except in compliance with the registration requirements of the U.S. Securities Act and any other applicable state securities law or pursuant to an exemption from the registration requirements of the U.S. Securities Act and applicable state securities laws.

## 1 Offer timetable

- 1.1 This offer is dated, and taken to be made on, 10 April 2007.
- 1.2 The offer opens on Wednesday, 11 April 2007 (**Opening Date**) and closes at 5pm (AEST) on Friday, 27 April 2007 (**Closing Date**), unless extended. Application Forms and cheques or money orders may not be processed or held to be valid if they have not been received by the Company by this time.
- 1.3 (a) The Shares are proposed to be allotted on or around Tuesday, 8 May 2007; and  
(b) the Company expects that a transaction confirmation will be despatched to you on or around Wednesday, 9 May 2007.

1.4 The Company has discretion to change, at any time, any of the Closing Date, the Allotment Date and the Despatch Date to later dates (notwithstanding that the offer has opened, or Application Forms have been received) by lodging a revised timetable with ASX.

## 2 Eligible Shareholders

2.1 You may participate in the Plan if you are an Eligible Shareholder.

2.2 Joint holders of Shares are taken to be a single registered holder of Shares for the purposes of determining whether they are an Eligible Shareholder and the certification on the Application Form is taken to have been given by all of them.

2.3 Where a trustee or nominee is a registered holder of Shares and is expressly noted on the register as holding Shares on account of a named beneficiary, the named beneficiary will be taken to be the registered holder of those Shares. An application for Shares, certification or issue of Shares to the trustee or nominee will be taken to be an application or certification by, or an issue to, the named beneficiary.

2.4 If you are an Eligible Shareholder, your rights under this offer are personal to you and non-renounceable, so you may not transfer them.

## 3 Applications for Shares

### **Limitations on applications**

3.1 Subject to clause 3.2, if you are an Eligible Shareholder, you may apply to purchase a parcel of Shares valued at \$3,000 (**Offer A**), \$4,000 (**Offer B**) or \$5,000 (**Offer C**) under the Plan (and not any other amount).

3.2 Eligible Shareholders who receive more than one offer under the Plan (for example, because they hold Shares in more than one capacity) may apply on different Application Forms for more than one Parcel, but may not apply for Shares with an aggregate value of more than \$5,000.

### **Completing the Application Form and paying for Shares**

3.3 If you wish to participate in the Plan, you must:

- (a) complete the Application Form and provide a cheque or money order in accordance with the instructions on the Application Form; or
- (b) make a payment for \$3,000, \$4,000 or \$5,000 by BPay.

### **The Company's discretions regarding applications**

3.4 The Company has a broad discretion to accept or reject your application to purchase Shares under the Plan, including (without limitation) if:

- (a) your Application Form is incorrectly completed or incomplete or otherwise determined by the Company to be invalid;
- (b) your cheque is dishonoured or has not been completed correctly;
- (c) the cheque or money order that you enclose with your Application Form is not made out for the exact amount as indicated on the Application Form;
- (d) it appears that you are applying to buy more than \$5,000 (in aggregate) of Shares at the Issue Price;
- (e) your Application Form is received after the Closing Date. Whilst the Company has a discretion to accept late Application Forms and cheques or money orders, there is no assurance that it will do so. Late Application Forms and cheques or money orders, if not processed, will be returned to you at your registered address; or
- (f) the Company believes that you are not an Eligible Shareholder (subject to compliance with any applicable ASIC or ASX requirements).

### **Interest**

3.5 No interest will be paid on any application money returned to you.

### **Significance of sending in an application**

3.6 If you apply to participate in the Plan by completing and returning the Application Form:

- (a) your application, on these Terms and Conditions, will be irrevocable and unconditional (it cannot be withdrawn);

- (b) you acknowledge that you are an Eligible Shareholder;
- (c) you certify that you have not applied for Shares with an aggregate application price in excess of \$5,000 under the Plan and any similar arrangement in the 12 months prior to your application, even though you may have received more than one offer under the Plan or received offers in more than one capacity under the Plan;
- (d) you authorise the Company (and its offers or agents) to correct any error in, or omission from, your Application Form and to complete the Application Form by the insertion of any missing details;
- (e) you acknowledge that the Company may at any time irrevocably determine that your Application Form is valid, in accordance with the Terms and Conditions, even if the Application Form is incomplete, contains errors or is otherwise defective;
- (f) you accept the risk associated with any return of application monies (for example, in the event of a rejected application) refund that may be despatched to you by cheque to your address shown on the Company's register;
- (g) you agree to indemnify the Company for, and to pay to the Company within 5 business days of demand, any dishonour fees or other costs the Company may incur in presenting a cheque for payment which is dishonoured;
- (h) you acknowledge that neither the Company nor Computershare Investor Services has provided you with investment advice or financial product advice, and that neither has any obligation to provide this advice, concerning your decision to apply for and purchase Shares;
- (i) you acknowledge that the Company is not liable for any exercise of its discretions referred to in these Terms and Conditions; and
- (j) you irrevocably and unconditionally agree to the Terms and Conditions and agree not to do any act or thing which would be contrary to the spirit, intention or purpose of the Plan.

#### 4 Parcel price, Issue Price and number of Shares

4.1 You agree to pay the total price of:

- (a) \$3,000 if you apply for Offer A;
- (b) \$4,000 if you apply for Offer B; and
- (c) \$5,000 if you apply for Offer C.

4.2 The Company shall determine the number of Shares to be issued to each Eligible Shareholder who applies for a Parcel, by dividing the value of that Parcel by the Issue Price. If the Issue Price cannot be divided into \$3,000, \$4,000 or \$5,000 to give a whole number of shares, there will be a rounding down of the number of shares, with the remaining balance paid to a charity nominated by the Company. You will not receive a refund for this amount, which will always be less than the price of one share.

#### 5 The Shares

5.1 On the Allotment Date, the Company will allot and issue that number of Shares to each Eligible Shareholder on the basis set out in clause 4.2.

5.2 Shares issued under the Plan will rank equally with, and have the same voting rights, dividend rights and other entitlements as existing Shares.

5.3 The Company will apply for Shares issued under the Plan to be quoted on ASX.

#### 6 Amendments to the offer and waiver of compliance

6.1 The Company will not change these Terms and Conditions (subject to its discretion to revise the Timetable in part 1). However, the Company reserves the right to waive compliance with any provision of these Terms and Conditions.

6.2 The Company reserves the right to withdraw the offer.

#### 7 Governing Law

7.1 These Terms and Conditions are governed by the laws in force in Victoria and are to be interpreted in accordance with their spirit, intention and purpose.

# Definitions

<b>AEST</b>	Australian Eastern Standard Time
<b>Allotment Date</b>	The date on which Shares are allotted under the Plan (which the Company expects to be on or around Tuesday, 8 May 2007, unless extended).
<b>Application Form</b>	The application form relating to the Plan that you received with this booklet, including the instructions.
<b>ASIC</b>	Australian Securities and Investments Commission.
<b>ASX</b>	Australian Securities Exchange Limited.
<b>Closing Date</b>	Friday, 27 April 2007 unless extended.
<b>Company</b>	Nexus Energy Limited ABN 64 058 818 278
<b>Despatch Date</b>	The date on which the Company despatches the transaction confirmations to participating Eligible Shareholder (which the Company expects to be on or around Wednesday, 9 May 2007, unless extended).
<b>Dollars or \$</b>	Australian Dollars.
<b>Eligible Shareholder</b>	A person who, at 5pm (AEST) on the Record Date was recorded in the Company's share register as being a registered holder of Shares, and having a registered address in Australia or New Zealand, but who did not hold shares on behalf of a person who resides outside Australia.
<b>Issue Price</b>	the lesser of: <ul style="list-style-type: none"><li>– \$0.80 (the Placement Price); or</li><li>– a discount of 5% to the average market price of Shares calculated over the Pricing Period.</li></ul>
<b>Offer A</b>	The offer to purchase a parcel of Shares valued at \$3,000 at the Issue Price per Share under the Plan.
<b>Offer B</b>	The offer to purchase a parcel of Shares valued at \$4,000 at the Issue Price per Share under the Plan.
<b>Offer C</b>	The offer to purchase a parcel of Shares valued at \$5,000 at the Issue Price per Share under the Plan.
<b>Opening Date</b>	Wednesday, 11 April 2007.
<b>Parcel</b>	A parcel of Shares valued at \$3,000, \$4,000 or \$5,000 at the Issue Price per Share.
<b>Placement Price</b>	The price paid for shares by institutional investors in the Placement.
<b>Price Announcement Date</b>	On or around Monday, 7 May 2007, unless extended.
<b>Pricing Period</b>	A period of 5 Trading Days commencing on Monday, 30 April 2007.
<b>Record Date</b>	Tuesday, 3 April 2007.
<b>Shares</b>	Fully paid ordinary shares of the Company.
<b>Plan</b>	This share purchase plan.
<b>Terms and Conditions</b>	The terms and conditions of the Plan set out in this booklet, (including the Definitions and the Application Form).
<b>Trading day</b>	A full day on which the Shares are quoted, and not suspended from quotation or made subject to a trading halt, on ASX. A day on which ASX is closed or on which trading on ASX is suspended is not a Trading Date.



