



ACN 058 818 278

NOTICE OF ANNUAL GENERAL MEETING

and

EXPLANATORY MEMORANDUM

Date of Meeting: 19 November 2009
Time of Meeting: 11.00 am
Place of Meeting: River Room 1 & 2
Crown Towers
Level 1, 8 Whiteman Street
Southbank, Victoria

This Notice of Annual General Meeting and Explanatory Memorandum should be read in their entirety. If shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional adviser prior to voting.

NEXUS ENERGY LIMITED
ACN 058 818 278
NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that an Annual General Meeting of Shareholders of Nexus Energy Limited ACN 058 818 278 (**Nexus** or the **Company**) will be held at the River Room 1 & 2, Crown Towers, Level 1, 8 Whiteman Street, Southbank, Victoria at 11.00 am on 19 November 2009.

The Explanatory Memorandum which accompanies and forms part of this Notice of Annual General Meeting describes the various matters to be considered and contains a glossary of defined terms for terms that are not defined in full in this Notice of Meeting.

FINANCIAL REPORTS

To receive the financial statements, Directors' report and Auditors' report for the Company and its controlled entities for the financial year ended 30 June 2009.

RESOLUTIONS

1. Remuneration Report

To consider and, if thought fit, to pass, with or without amendment, the following as an **ordinary resolution**:

"That the remuneration report section of the Directors' report for the Company for the year ended 30 June 2009 be adopted."

The vote on this resolution is advisory only and does not bind the Directors or the Company.
--

2. Re-election of Director - Mr Neil Ferguson

To consider and, if thought fit, to pass, with or without amendment, the following as an **ordinary resolution**:

"That Mr Neil Ferguson, who retires in accordance with Article 17.1 of the Company's Constitution and, being eligible offers himself for re-election, be re-elected as a Director."

3. Re-election of Director - Mr Michael Arnett

To consider and, if thought fit, to pass, with or without amendment, the following as an **ordinary resolution**:

"That Mr Michael Arnett, who retires in accordance with Article 16.4(b)(ii) of the Company's Constitution and, being eligible, offers himself for re-election, be re-elected as a Director."

4. Ratification of issue of 96,800,000 Shares

To consider, and if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, the Shareholders of the Company approve and ratify the issue of 96,800,000 Shares to institutional and sophisticated investors on 8 September 2009 at an issue price of \$0.32 per Share, on the terms and conditions as set out in the Explanatory Memorandum."

The Company will disregard any votes cast on this resolution by any person who participated in the issue, and any associate of that person. However, the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

BY ORDER OF THE BOARD



Susan Robutti
Company Secretary
Dated: 14 October 2009

NEXUS ENERGY LIMITED
ACN 058 818 278
EXPLANATORY MEMORANDUM

This Explanatory Memorandum has been prepared for the information of Shareholders in connection with the business to be considered at the Annual General Meeting of Shareholders to be held at River Room 1 & 2, Crown Towers, Level 1, 8 Whiteman Street, Southbank, Victoria at 11.00 am on 19 November 2009.

The Explanatory Memorandum should be read in conjunction with the accompanying Notice of Annual General Meeting. For the assistance of Shareholders, a glossary of defined terms is included at the end of the Explanatory Memorandum.

Full details of the business to be considered at this Meeting are set out below.

Resolution 1 - Remuneration Report

The Remuneration Report is set out in the Directors' Report on pages 30 to 35 of the Company's 2009 Annual Report sent to those Shareholders who elected to receive it or available electronically at www.nexusenergy.com.au. It sets out a range of matters relating to the remuneration of Directors, executive and senior managers of the Company.

Section 250R(2) of the Corporations Act requires that a resolution to adopt the Remuneration Report be put to the vote of the Company at the Annual General Meeting. A vote on this resolution is advisory only and does not bind the Company or its Directors.

An opportunity will be provided for discussion of the Remuneration Report at the Annual General Meeting.

Resolution 2 - Re-election of Director - Mr Neil Ferguson

Mr Neil Ferguson is required to retire under the Director rotation provisions of Article 17.1 of the Company's Constitution. Mr Neil Ferguson, being eligible, has offered himself for re-election as a Director.

Resolution 3 - Re-election of Director - Mr Michael Arnett

Mr Michael Arnett was appointed as a Director on 28 May 2009. Mr Michael Arnett is required to retire under the casual vacancy provisions of Article 16.4(b)(ii) of the Company's Constitution. Mr Michael Arnett, being eligible, has offered himself for re-election as a Director.

Resolution 4 - Ratification of issue of 96,800,000 Shares

Resolution 4 seeks Shareholder ratification of the issue of 96,800,000 Shares (the **Institutional Placing Shares**) to institutional and sophisticated investors for the purposes of Listing Rule 7.4.

The purpose of seeking Shareholder approval and ratification of the issue of the Institutional Placing Shares in Resolution 4 is to effectively reinstate the maximum limit under the Listing Rules on the number of securities that the Company may issue in any 12 month period without Shareholder approval.

In accordance with the disclosure requirements of Listing Rule 7.5, the following information is provided to Shareholders to enable them to consider and ratify the issue of the Institutional Placing Shares:

- (a) the number of Institutional Placing Shares allotted was 96,800,000 on 8 September 2009;
- (b) the issue price of the Institutional Placing Shares was \$0.32 per Share, raising gross proceeds of \$30,976,000;
- (c) the Institutional Placing Shares rank equally with all existing Shares;
- (d) the allottees were institutional and sophisticated investors who were not related parties to the Company; and
- (e) the proceeds raised from the issue of the Institutional Placing Shares will principally be used for the development of the Longtom project, purchase of long lead items associated with the Crux liquids project and general working capital.

GLOSSARY OF TERMS

The following terms and abbreviations used in the Notice of Annual General Meeting and this Explanatory Memorandum have the following meanings:

Annual General Meeting or Meeting means the Annual General Meeting of Shareholders to be held at the River Room 1 & 2, Crown Towers, Level 1, 8 Whiteman Street, Southbank, Victoria at 11.00 am on 19 November 2009, or any adjournment thereof.

Board means the board of Directors.

Company and **Nexus** means Nexus Energy Limited ACN 058 818 278.

Constitution means the constitution of the Company.

Corporations Act means the *Corporations Act 2001* (Commonwealth).

Directors means the directors of the Company, from time to time.

Explanatory Memorandum means this explanatory memorandum.

Resolution means a resolution of the Notice of Annual General Meeting.

Shareholders means registered holders of Shares.

Shares means fully paid ordinary shares in the capital of the Company.

PROXY AND VOTING ENTITLEMENT INSTRUCTIONS

PROXY INSTRUCTIONS

Shareholders are entitled to appoint up to two individuals or bodies corporate to act as proxies to attend and vote on their behalf. Where more than one proxy is appointed each proxy may be appointed to represent a specific proportion of the Shareholder's voting rights. If the appointment does not specify the proportion or number of votes each proxy may exercise, each proxy may exercise half of the votes.

The proxy form (and the power of attorney or other authority, if any, under which the proxy form is signed) or a copy or facsimile which appears on its face to be an authentic copy of the proxy form (and the power of attorney or other authority) must be deposited at or sent by facsimile transmission to Computershare, 452 Johnston Street, Abbotsford Victoria 3067, 1800 783 447, not less than 48 hours before the time for holding the Meeting, or adjourned meeting as the case may be, at which the individual or body corporate named in the proxy form proposes to vote.

The proxy form must be signed by the Shareholder or his/her attorney duly authorised in writing or, if the shareholder is a corporation, in a manner permitted by the Corporations Act.


The proxy may, but need not, be a Shareholder of the Company. In the case of shares jointly held by two or more persons, all joint holders must sign the proxy form. A proxy form is attached to this Notice.

VOTING ENTITLEMENT

For the purposes of determining voting entitlements at the Meeting, shares will be taken to be held by the persons who are registered as holding the shares at 7.00 pm EST on 17 November 2009. Accordingly, transactions registered after that time will be disregarded in determining entitlements to attend and vote at the Meeting.

000001 000 NXS
 MR SAM SAMPLE
 FLAT 123
 123 SAMPLE STREET
 THE SAMPLE HILL
 SAMPLE ESTATE
 SAMPLEVILLE VIC 3030

Lodge your vote:

 **Online:**
www.investorvote.com.au

 **By Mail:**
 Computershare Investor Services Pty Limited
 GPO Box 242 Melbourne
 Victoria 3001 Australia

Alternatively you can fax your form to
 (within Australia) 1800 783 447
 (outside Australia) +61 3 9473 2555

For Intermediary Online subscribers only
 (custodians) www.intermediaryonline.com

For all enquiries call:
 (within Australia) 1300 850 505
 (outside Australia) +61 3 9415 4000

Proxy Form



Vote online or view the annual report, 24 hours a day, 7 days a week:

www.investorvote.com.au

- Cast your proxy vote**
- Access the annual report**
- Review and update your securityholding**

Your secure access information is:

Control Number: 999999

SRN/HIN: 1999999999

PIN: 99999



PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.

 **For your vote to be effective it must be received by 11.00 am Tuesday 17 November 2009**

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

Appointment of Proxy

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote as they choose. If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

Signing Instructions for Postal Forms

Individual: Where the holding is in one name, the securityholder must sign.

Joint Holding: Where the holding is in more than one name, all of the securityholders should sign.

Power of Attorney: If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held.

Attending the Meeting

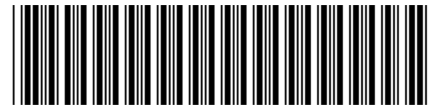
Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at www.computershare.com.

Comments & Questions: If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.

**GO ONLINE TO VOTE,
 or turn over to complete the form** →

MR SAM SAMPLE
 FLAT 123
 123 SAMPLE STREET
 THE SAMPLE HILL
 SAMPLE ESTATE
 SAMPLEVILLE VIC 3030

Change of address. If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



I 9999999999

I ND

Proxy Form

Please mark to indicate your directions

STEP 1 Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of Nexus Energy Limited hereby appoint

the Chairman of the meeting OR

PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, as the proxy sees fit) at the Annual General Meeting of Nexus Energy Limited to be held at the River Room 1 & 2, Crown Towers, Level 1, 8 Whiteman Street, Southbank, Victoria at 11.00 am on 19 November 2009 and at any adjournment of that meeting.

STEP 2 Items of Business

PLEASE NOTE: If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

	For	Against	Abstain
Resolution 1. Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2. Re-election of Director - Mr Neil Ferguson	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3. Re-election of Director - Mr Michael Arnett	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4. Ratification of issue of 96,800,000 Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business.

SIGN Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact Name _____

Contact Daytime Telephone _____

Date ____/____/____