

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

Nexus Energy Ltd

ABN

64 058 818 278

Quarter ended ("current quarter")

30 June 2010

Consolidated statement of cash flows

		Current quarter A\$'000	Year to date (12 months) A\$'000
Cash flows related to operating activities			
1.1	Receipts from product sales and related debtors	10,276	27,727
1.2	Payments for		
	(a) exploration and evaluation	(2,482)	(2,522)
	(b) development	(295)	(84,822)
	(c) production	(8,878)	(24,146)
	(d) administration	(3,452)	(18,519)
1.3	Dividends received		
1.4	Interest and other items of a similar nature received	430	1,350
1.5	Interest and other costs of finance paid	(4,838)	(13,340)
1.6	Income taxes paid		
1.7	Other – GST, FX gains/losses	519	306
Net Operating Cash Flows		(8,720)	(113,966)
Cash flows related to investing activities			
1.8	Payment for purchases of:		
	(a) prospects		
	(b) equity investments		
	(c) other fixed assets	(10)	(47)
1.9	Proceeds from sale of:		
	(a) prospects		
	(b) equity investments		
	(c) other fixed assets	-	5
1.10	Loans to other entities		
1.11	Loans repaid by other entities		
1.12	Other	-	(35,000)
Net investing cash flows		(10)	(35,042)
1.13	Total operating and investing cash flows (carried forward)	(8,730)	(149,008)

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1.13	Total operating and investing cash flows (brought forward)	(8,730)	(149,008)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	-	74,517
1.15	Proceeds from sale of forfeited shares		
1.16	Proceeds from borrowings	-	45,911
1.17	Repayment of borrowings		
1.18	Dividends paid		
1.19	Other		
	– borrowing transaction costs		
	– equity transaction costs	-	(1,365)
	– Finance lease repayments		
	Net financing cash flows	-	119,063
	Net increase (decrease) in cash held	(8,730)	(29,945)
1.20	Cash at beginning of quarter/year to date	33,623	55,377
1.21	Exchange rate adjustments to item 1.20	31	(508)
1.22	Cash at end of quarter	24,924	24,924

Payments to directors of the entity and associates of the directors
Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	641
1.24	Aggregate amount of loans to the parties included in item 1.10	Nil

1.25 Explanation necessary for an understanding of the transactions

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

Increase in loan facilities available and used resulting from capitalised interest during the quarter amounted to \$4 million.

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

+ See chapter 19 for defined terms.

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	303,207	303,207
3.2 Credit standby arrangements (\$60m letter of credit provided as security for completion of certain capital works on the Longtom project and for obligations in respect to gas deliveries)	60,000	60,000

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	512
4.2 Development	991
4.3 Production	2,515
4.4 Administration	4,875
Total	8,893

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	17,841	23,691
5.2 Deposits at call	1,307	1,660
5.3 Bank overdraft	-	-
5.4 Other (including escrow accounts and project finance facility reserve account)	5,776	8,272
Total: cash at end of quarter (item 1.22)	24,924	33,623

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1 Interests in mining tenements relinquished, reduced or lapsed	VIC/P49	Exploration Permit	80	0
6.2 Interests in mining tenements acquired or increased				

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Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3)	Amount paid up per security (see note 3)
7.1 Preference +securities <i>(description)</i>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 +Ordinary securities	958,061,849	958,061,849		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs				
7.5 +Convertible debt securities <i>(description)</i>				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 Options <i>(description and conversion factor)</i>	31,884,058		<i>Exercise price</i> 204 cents	<i>Expiry date</i> 15 January 2013 (warrants)
	90,000		225 cents	28 April 2011
	148,000		219 cents	23 May 2011
	359,800		225 cents	23 May 2011
	2,590,700		147 cents	24 December 2012
	3,863,800		Zero	30 June 2012
7.8 Issued during quarter			<i>Exercise Price</i>	<i>Expiry Date</i>
7.9 Exercised during quarter			<i>Exercise Price</i>	<i>Exercise Date</i>
7.10 Expired during quarter	620,000		<i>Exercise Price</i> Zero	<i>Expiry Date</i> 15 May 2010
	20,500		Zero	29 May 2010
	42,900		Zero	7 June 2010
	118,100		Zero	14 June 2010
7.11 Debentures <i>(totals only)</i>				
7.12 Unsecured notes <i>(totals only)</i>				

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Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here: Date: 12 August 2010
Company Secretary

Print name: Susan Robutti

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Cash Flows Statement* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

**Schedule of Exploration Permits
Held by Consolidated Entity
At 30 June 2010**

Permit	Basin	Interest %
VIC/P54	Gippsland	100
VIC/L29	Gippsland	100
WA-368-P	Perth	50
NT/P66*	Bonaparte	100
AC/L9	Browse	85
WA-377-P	Browse	100
WA-424-P	Browse	100

* On 17 June 2010 Nexus applied to surrender exploration permit NT/P66. As at 30 June 2010 Nexus had not received confirmation that the application had been processed.

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